SEATO

SEATO Record

10th ANNIVERSARY YEAR

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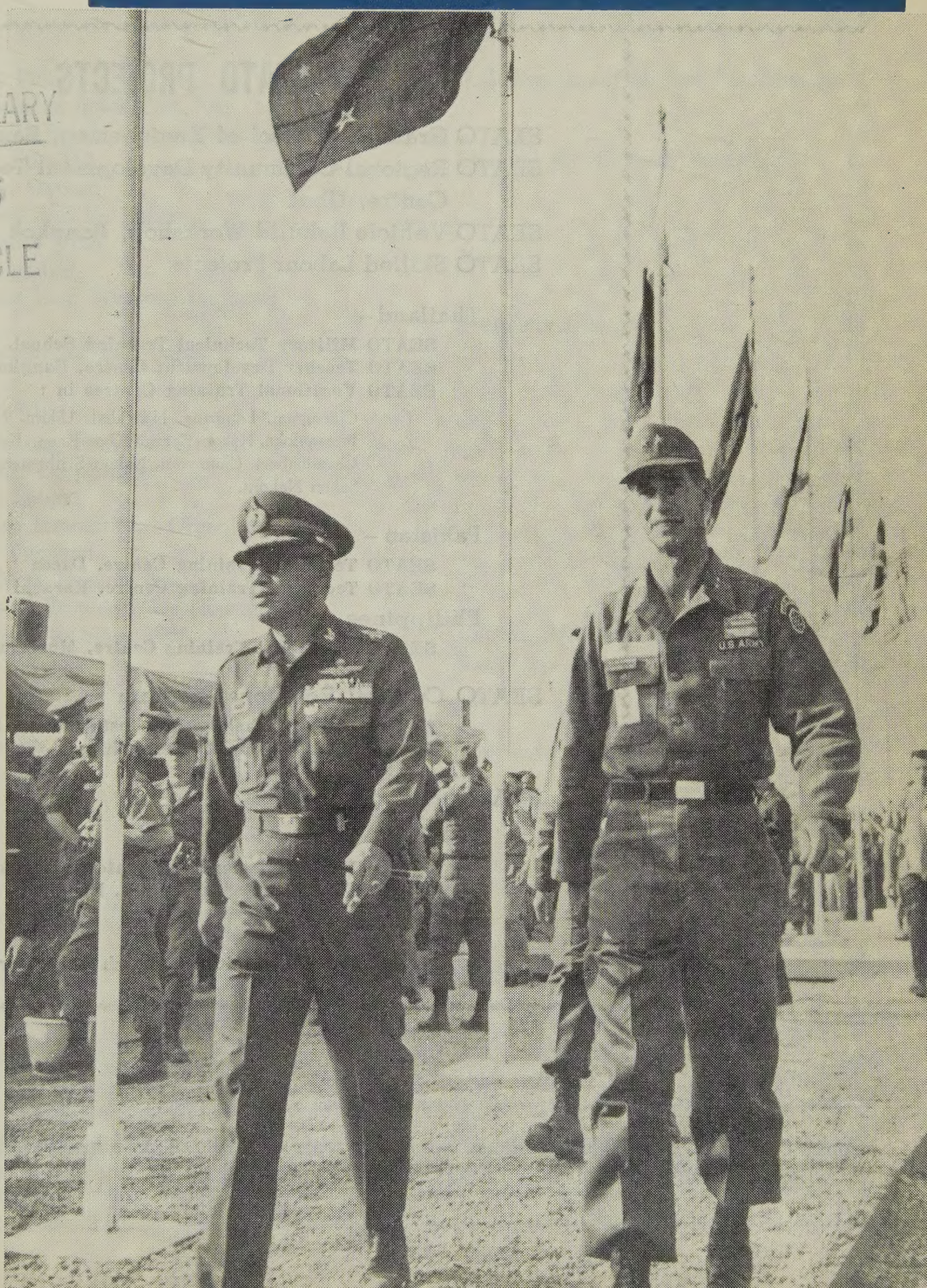

and's Prime Minister, Field
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nd Major-General Ernest
asterbrook stride past
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Prime Minister, who is
Supreme Commander
hailand's fighting forces,
just officially opened
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gistic operation, directed
General Easterbrook.

Freedom must be defended in every quarter.

Unity

Events are isolated neither in time nor in space. SEATO Record attempts to bring together significant events of the Organization itself, of its member nations, and of similar organizations of regional nature, as well as statements which reflect attitudes or policies. Background information of this sort is essential to place SEATO in its proper context of world affairs and national development.

SEATO PROJECTS

SEATO Graduate School of Engineering, Bangkok

SEATO Regional Community Development Technical Assistance Centre, Ubol

SEATO Vehicle Rebuild Workshop, Bangkok

SEATO Skilled Labour Projects:

Thailand –

SEATO Military Technical Training School, Bangkok
SEATO Teacher Development Centre, Bangkok
SEATO Vocational Training Centres in :

Chiengmai, Lampang, Nongkhai, Udorn, Nakorn Phanom, Tak, Pitsanuloke, Nakorn Sawan, Khon-Kaen, Korat, Ubol, Rajburi, Cholburi, Chandhaburi, Chumporn, Nakorn Srithamaraj, Patalung, Songkhla, Yala, Sakon Nakorn.

Pakistan –

SEATO Technical Training Centre, Dacca
SEATO Technical Training Centre, Karachi

Philippines –

SEATO Vocational Training Centre, Marikina

SEATO Cultural Relations Program

Under-graduate Scholarships, Post-graduate Scholarships
Research Fellowships, Professorships

SEATO Medical Projects

Thailand –

SEATO Medical Research Laboratory, Bangkok
SEATO Clinical Research Centre, Bangkok

Pakistan –

Pakistan-SEATO Cholera Research Laboratory, Dacca

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Foreign Affairs

SECRETARY OF DEFENSE MCNAMARA: UNITED STATES POLICY

WASHINGTON, February 19, 1965 – Following is the partial text of Secretary of Defense McNamara's prepared statement before the Armed Services Committee of the House of Representatives February 18. The partial text is from a section entitled "Assessment of the International Situation As It Bears on Military Policies and Programs."

"Although the change in the leadership of the Soviet Union and the detonation of a nuclear device by Communist China were two of the most widely noted developments on the international scene during the past year, a more fundamental though less heralded change has been taking place which, over the long run, could be of much greater significance to our national security. This is not to say that these two events were of small importance. Quite the contrary; they hold great potential consequences for the future of the world and I shall discuss each of them later in this section of the statement. But I believe that the gradual relaxation of the previously rigid bi-polarization of world power, which has been gaining momentum in recent years, could be of greater significance.

For many years after the last great war, the world scene was dominated by two giant power blocs, one a voluntary alliance of free nations led by the United States, and the other a conquered empire ruled by the Soviet Union. In the Free World alliance, the United States was the leading member because of the predominance of its economic and military power. In the communist camp. the Soviet Union was the undisputed ruler not only because of its predominant economic and military power but, also, because it controlled the international communist apparatus and was willing to back it up with military force where necessary.

SITUATION CHANGE

Some time in the last five or 10 years this situation began to change. On the Free World side, the nations of Western Europe, as well as Japan in the Far East, began to get back on their fect politically and economically, and today, the United States is no longer the only important economic and political power. On the communist side, the absolute control of the Soviet Union has been successfully challenged, and now not only Yugoslavia, but also China, Albania and, to a lesser extent, other communist nations of Eastern Europe, are following policies directed to their own national interests. Long frozen positions are beginning to thaw and in the shifting currents of international affairs there will be new opportunities for us to enhance the security of the Free World and thereby our own security. But there will also be new problems which will have to be faced, particularly how best to maintain the unity of the Free World during this period of flux, while old positions, attitudes and relationships are being re-examined.

Further complicating the world situation is the relatively sudden emergence of some 50 new nations since the end of World War II. Many have but recently emerged from colonial status and possess little experience in self-government. Most of them are economically underveloped and some have yet to achieve any sense of national cohesiveness among their heterogeneous populations.

It was difficult enough when there were two power centres competing for the ideological allegiance of these new nations. Now, with the internal cohesiveness of these power blocs weakening, particularly in the communist camp, the situation is becoming far more complicated.

Our foreign policy has been remarkably consistent over the years. We, ourselves, have no territorial ambitions anywhere in the world and we insist that all nations respect the territorial integrity of their neighbors. We do not seek the economic exploitation of any nation. Indeed, since the end of World War II, we have given other nations more than 100,000 million dollars of our wealth and substance – an effort unparalleled in the history of mankind. We do not seek to overthrow, overtly or covertly, the legitimate government of any nation and we are opposed to such attempts by others. In short, we seek a world in which each nation is free to develop in its own way, unmolested by its neighbors, free of the fear of armed attack from the more powerful nations.

VIET-NAM

Our effort in Viet-Nam is fully consistent with these policies. As Secretary of State Rusk recently pointed out:

"... We have military personnel in South-East Asia ... because we feel that they are needed to assist South Viet-Nam at the present time to maintain its security and independence. If South Viet-Nam's neighbors would leave it alone, those military people could come home. We have no desire for any bases or permanent military presence in that area. We are interested in independence of states."

So, too, is our action in the Congo. We opposed Mr. Tshombe in the past because he defied the legitimate government of the Congo. We support Mr. Tshombe now because he is the head of the legitimate government of the Congo. We did not select Mr. Tshombe to head that government; he was selected by Mr. Kasavubu, the President of that nation. We participated with the Belgians, with the approval of the Congolese Government, in the rescue of innocent men, women and children of many nationalities and races who were being victimized and used as pawns by the rebels in their fight against the government. We had tried to obtain the release of these hostages by negotiation with the rebels and when that failed, we had no alternative as a nation with a high regard for human life, than to effect their rescue as best we could. Even so, many innocent people were wantonly slaughtered by the rebels.

COVERT ARMED AGGRESSION

Unfortunately, the communist governments do not share our objectives. I do believe that, like their predecessors, the new leaders of the Soviet Union fully appreciate the perils of general nuclear war and the danger of local wars escalating into nuclear war. I also believe that the leaders of Communist China, too are reluctant to challenge the full weight of our military power. But both the Soviet Union and Communist China continue to support what Mr. Khrushchev euphemistically called "wars of national liberation" or "popular revolts" which we know as covert armed aggression, insurrection and subversion.

Mr. Joseph Mendenhall, Director of the Office of Regional Affairs, Bureau of Far Eastern Affairs, United States State Department, meets SEATO Secretary-General, Mr. Konthi Suphamongkhon, during a recent visit.

It may be that as long as we maintain the kind of forces which would make global nuclear war and even local wars unprofitable for the Soviet Union and Communist China, we can deter them from starting such conflicts. But this still leaves us with the problem of covert armed aggressions, insurrections and subversion. As I pointed out to this committee three years ago, to the extent we deter the communists from initiating larger wars, we may anticipate even greater efforts on their part in so-called "wars of national liberation." The expansion of communism is a cardinal tenet of their doctrine and in order to establish communism in a new country, they must first destroy the existing government, if necessary, by force. And, it is only by force that the communists have been able to extend their sway.

COMMUNISTS NOT INHIBITED BY MORALS

We must face up to the fact that the communists have a distinct advantage over the democracies in this type of conflict. They are not inhibited by our ethical and moral standards – political assassination, robbery, arson, subversion, bribery are all acceptable means to further their ends. They are quick to take advantage of any breakdown of law and order, of any resentment of people towards their government, or of any economic or natural disaster. They are masters of mass psychology and of propaganda, having had decades of experience in these fields. And, once they gain control, they eliminate their opponents simply by driving them out of the country or by literally killing them off until the population is completely intimidated.

We still have a long way to go in devising and implementing effective countermeasures against these techniques. For us, the task is an extremely difficult one. This is the kind of struggle which ultimately must be fought and won by the government and peoples directly involved. It is not solely a military problem. It pervades every aspect of human endeavor and concern – political, social, economic and ideological. We can help a besieged government with economic and military assistance, with training and administrative support and with advice and counsel; and we can discourage, with appropriate measures, overt military aggression against it. But, with all of our enormous economic and military power, we cannot provide to any other nations a strong, stable and effective government which can command the loyalty and support of its people. These things can be provided only by the peoples themselves and this is one limitation on our capability which we must all frankly recognize.

The road ahead will be difficult and continuing sacrifices will be required of our people, both in money and in lives. But the challenge must surely be met. If we fail to meet it here and now, we will inevitably have to confront it later under even more disadvantageous conditions. This is the clear lesson of history which we can ignore only at our peril. As I told this committee three years ago, it is quite possible that in the decade of 60's the decisive struggle between communism and freedom will take place in this arena.

CRISES ARE A PERENNIAL CROP

But as worrisome and as difficult as these local conflicts and crises are, we do ourselves a grave disservice if we permit them to obscure the more fundamental and far reaching changes in our position in the world vis-a-vis the Soviet Union and Communist China. Local crises come and go. Each year brings with it a new crop which develops, peaks and subsides, leaving the basic situation essentially unchanged. In this regard, the situation today is probably no better or worse than it was at any time during the last decade.

In the longer range and much more critical struggle between the forces of freedom and the forces of communism, I believe there can be no question that our relative position has improved over the last several years. And I believe it is fair to say that contributing to this improvement have been the policies and actions of the United States Government: The buildup of our military forces; our demonstrated determination to use them where our vital interests are at stake; our assistance to other free nations around the world; and our constant readiness to join in measures to promote the peace. To the extent that the communist states are convinced that war is no longer a feasible method to extend the sway of their ideology, our safety is enhanced. To the extent that they are convinced that we will resist with force, if necessary, any encroachment in our vital interests around the world, the chances of war are diminished. To the extent we hold open the door to peace and disarmament, we provide an alternative to an arms race. To the extent that the Free World continues to demonstrate that a free society can provide a better life for the people than can a communist society, the attraction of freedom will continue to exert an irresistible pull, not only on the uncommitted nations of the world, but on the people of the communist nations themselves. In this longer range and much more fundamental struggle, the cause of freedom has definitely gained.

COMMUNIST CHINA

China has continued a slow recovery from the depths reached when the "great leap" failed and Soviet help was curbed. She faces enormous problems in feeding her growing population. But given reasonable weather and rational policies there seems to be no reason why growth cannot continue.

The nuclear explosion last October provided confirmation that the Chinese Communist leaders are determined to produce modern armaments even though the cost be great. That the nuclear program was able to continue in spite of a very severe economic crisis is testimony to the determination of the Chinese to produce modern weapons. Although results may be slow in coming, there is no reason to suppose that the Chinese cannot in time produce medium range and even long range ballistic missile systems and arm them with thermonuclear warheads. Given the hostility the regime has shown, this is a most disturbing long term prospect.

Of greater importance in the nearer term is the political and psychological impact of the Chinese explosion. The Chinese Communist leaders are now trying to exploit that success as evidence of their technical, military and economic progress, much as Mr. Khrushchev exploited the Soviet space program and nuclear tests several years ago. They will certainly continue to support subversion and insurrection in Asia and attempt to gain control of revolutionary movements elsewhere in the world. But their armed forces, while well trained and led, are still outfitted by the standards of a decade or two ago. Much of their best equipment and weapons are still of Soviet origin and they are severely handicapped by the lack of Soviet sources of supply for spares and replacements. Little has been accomplished during the last three years in modernizing the Air Force. Unless there is a change in Soviet policy, it still appears dubtful that the Chinese Communists will deliberately initiate any major overt aggression against their neighbors. Although they have long been the more militant of the two major communist rivals, they have shown great caution when confronted with a determined display of military power.

SOUTH-EAST ASIA

South-East Asia remains for us and for the entire Free World the area in which the struggle against communist expansion is most acute, and, in that area, South Viet-Nam is the keystone. Here, the North Vietnamese and Chinese Communists are putting into practice their theory that any non-communist government of an emerging nation can be overthrown by externally supported, covert armed aggression, even when that government is backed by U.S. economic and military assistance. Indeed, the Chinese Communists have made South Viet-Nam the decisive test of that theory and the outcome of this struggle could have grave consequences not only for the nations of South-East Asia but for the future of the weaker and less stable nations everywhere in the world.

You may recall that one of the most bitterly contested issues between the Chinese Communists and Mr. Khrushchev was precisely the extent to which violence should be used in overthrowing non-communist governments. In their letter to the Soviet Communist party last June 14, the Chinese asserted:

"Two-thirds of the world's population need to make revolution.

"... Violent revolution is a universal law of proletarian revolution. To realize the transition to socialism, the proletariat must wage armed struggle, smash the old state machine, and establish the dictatorship of the proletariat."

A communist success in South Viet-Nam would be claimed as proof positive that the Chinese Communist position was correct and they will have made a giant step forward in the struggle for control of the world communist movement. Such a success would also greatly increase the prestige of Communist China among the non-aliged nations and strengthen the position of their following everywhere. Thus, the stakes in South Viet-Nam are far greater than the loss of one small country to communism. It would be a serious setback to the cause of freedom throughout the world and would greatly complicate the task of preventing the spread of communism.

FACING THE ISSUE IN SOUTH VIET-NAM

All of this is not to say that the loss of South Viet-Nam to the communists would automatically mean the loss of all of South-East Asia. Yet, we may be certain that as soon as they had established their control over South Viet-Nam, the communists would press their subversive operations in Laos and then in Thailand and we would have to face this same problem all over again in another place or permit them to have all of South-East Asia by default. Thus, the choice is not simply whether to continue our efforts to keep South Viet-Nam free and independent but, rather, whether to continue our struggle to halt communist expansion in Asia. If the choice is the latter, as I believe it should be, we will be far better off facing the issue in South Viet-Nam.

The present situation in South Viet-Nam is grave but by no means hopeless. On the purely military side there remain a familiar series of problems – the increasing Viet Cong capabilities, and the losses of combat-experienced South Vietnamese small unit leaders and soldiers. However, the past year has also brought some encouraging developments. The regular South Vietnamese forces have been considerably strengthened by the continuing flow of new equipment and by the additional training and operational experience. In open battle, the Vietnamese forces have shown encouraging progress in operational planning, in reaction time, and in interservice coordination. The combat performance of regular troops continues to inspire confidence and towards year's end we noted improvements in recruiting and in active duty strength. The approximately 23,500 U.S. military personnel now in South Viet-Nam continue to carry out their complex advisory and support missions, in headquarters and in the field, with the skill, dedication and bravery we have come to expect of our armed forces.

CIVILIANS BEAR THE BRUNT

In the broader struggle between the Viet Cong and the Government of South Viet-Nam for the loyalty of the people, the picture, particularly in the countryside, is not as good. The deliberate retrenchment in the scope of the pacification effort which we described last year gave the Viet Cong virtually uncontested opportunities to move into some areas previously under government control. Infiltration of key personel and replacements and supplies from North Viet-Nam has continued and we believe intensified. The Viet Cong, for the most part, continue to avoid large unit engagements and emphasize a campaign of "hit and run" raids, harassment and terror. The main brunt of their effort continues to fall on the civilian population and on the irregular forces and police.

The reorganized pacification program did not progress as well as we had hoped a year ago, not only because of the strength of the Viet Cong opposition but also because of the instability of the Saigon government. This type of program requires a high degree of coordination between the civil and military efforts which can be provided only by the central government.

We have no desire to intrude into the domestic affairs of the South Vietnamese but we have made no secret of our belief that without national unity and a stable government, they will not be able to make effective use of their armed forces, their governmental agencies and the outside support they receive. We recognize the great strains under which the leadership of South Viet-Nam must labor after some 20 years of unremitting struggle and we are doing our best to understand and help them. But without an effective government in Saigon, we are clearly handicapped in our efforts to do so. We can only hope that the present difficulties will be quickly overcome and the South Vietnamese, themselves, will soon realize crucial importance of national unity and effective government to the success of their struggle against the Viet Cong. In the meantime, we should continue our existing programs and encourage other friendly nations to increase the scope of their assistance. Considering the great stakes involved in this struggle, I see no other alternative for the United States.

COMMUNISTS CONTINUE TO FLOUT LAOS AGREEMENT

The future of Laos is intimately tied to the outcome of the struggle in Viet-Nam. The communists in the last year have made some gains, seizing the strategic Plaine des Jarres and continuing operations throughout the Eastern portions of Laos, with North Vietnamese participation proven by prisoners and captured equipment. These gains were partially offset by clearing operations along the key route between Vientiane and the Royal capital of Luang Prabang. More encouraging has been the resiliency and firmness in pursuit of neutrality demonstrated by Prime Minister Souvanna Phouma's conservative and neutralist elements. Their fighting forces have worked together with increasing understanding and effectiveness in combatting the communists. An illconsidered, right-wing coup attempt failed in April 1964; Souvanna's full authority was restored and he assumed for the first time the portfolio of Minister of Defense.

Souvanna's efforts have earned the increasing respect of the Government of Thailand and other neighboring countries which must be alert to the ebb and flow of communist power in the region. These efforts require external support. On Souvanna's request we have provided it in the form of supplies and, since May, by reconnaissance flights to detect communist military activities and the movement of men and supplies from North Viet-Nam into Laos and through it to South Viet-Nam. We propose to continue to sustain the present Laos Government and to press for implementation of the Geneva Accords by which 13 nations pledge themselves to support the neutrality of Laos. Should the communists conclude that U.S. support of the independent nations of South-East Asia is flagging, we can expect that the Pathet Lao with North Vietnamese help, will resume the offensive...

THAILAND THREATENED

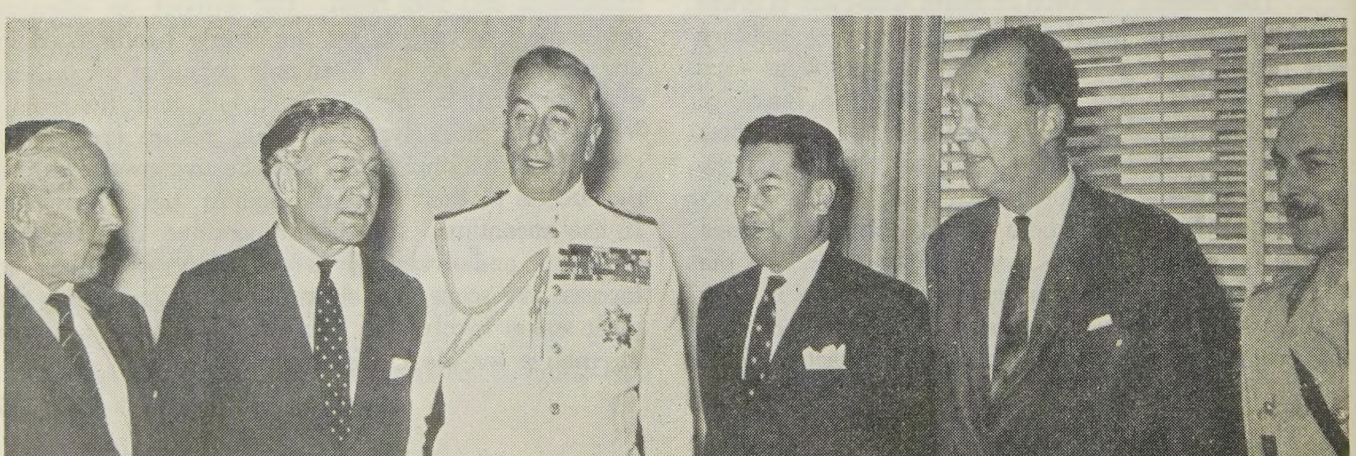
After the death of Marshal Sarit of Thailand in late 1963, the new leaders have worked out an effective relationship. Economic growth continues; Thailand remains one of the most active participants in SEATO; and its armed forces continue to improve through our training help and military material assistance. Despite this progress, the Northeastern and Northern regions of the country remain vulnerable to communist attack and subversive penetration. During his recent visit in Washington, Foreign Minister Thanat reaffirmed publicly Thailand's interest in combined efforts to preserve peace and security in South-East Asia, a position increasingly evident in actions regarding both Laos and Viet-Nam. In addition to our Military Assistance Advisory Group, we also have certain logistic facilities in Thailand. We need to continue our suppert and assistance to the Thai, both to help them reach their internal defense goals and to demonstrate that mutual defense undertakings cut both ways...

NORTH AND SOUTH PACIFIC

In the South Pacific, our close alliance with Australia and New Zealand continues, not only on the political front and in ANZUS and SEATO, but also in terms of collaborative scientific development, weapons procurement, and contingency defence planning. These two countries, as partners in the Commonwealth, are also actively and directly supporting Malaysia's independence against the Indonesian threat. Australia has recently taken steps to increase significantly its defence capability.

To the North in the Pacific, Communist China is also the principal threat. The situation in this area continues fairly stable, in large part because of United States military presence, but we know from experience that the Chinese Communists can quickly shift their

United Kingdom Chief of Defence Staff, Earl Mountbatten, at SEATO Headquarters on February 19. From left to right: Deputy Secretary-General, Mr. David A. Wraight; the Scientific Adviser to the United Kingdom Government, Sir Solly Zuckerman; Lord Mountbatten; the Secretary-General, Mr. Konthi Suphamongkhon; the United Kingdom Ambassador, Sir Anthony Rumbold, and the Chief of the Military Planning Office, Major-General H.A. Prince.



BRITAIN'S PART IN DEFENCE OF S.E. ASIA

LONDON, January 15 – Britain's ability to make a unique contribution to the peacekeeping forces of the world and her responsibilities in South-East Asia were stressed by the Prime Minister Mr. Harold Wilson, when addressing the 25th anniversary dinner of the Commonwealth Correspondents' Association in London.

"One thing we have stressed", he said, "and that is the essential recognition that Britain, so far as defence is concerned, must have a world role, and that our ability to fulfil that role must not be sacrificed in the necessary process on which we are engaged in relating our expenditure on defence, whether expressed in money or real resources, to the realities of the economic situation."

Britain's overseas role had a very direct bearing on Britain's relations with the Commonwealth.

"We are able to make this unique contribution to the peacekeeping forces of the world precisely because of our history, because of our links with the Commonwealth.

"But equally our ability to maintain this role will be an inestimable assurance to our Commonwealth partners that we shall be able to join with them, with our allies or with our other United Nations members, for the maintenance of peace."

"No one in any part of the Commonwealth, or in the world, would doubt the resolve and determination with which Britain stands by her partner, Malaysia, in resisting infiltration and all the manifold dangers she at present faces", said the Prime Minister.

"Our response to Malaysia's needs has been quick and sure", he said, "let us make it clear that in Malaysia today, including our responsibilities for defence in South-East Asia, there are 50,000 of our forces, including over 10,000 in Borneo, and you will have seen the action taken in the past few days to respond to the call that was made.

ASSURANCE TO ASIAN POWERS

"The problem of giving a real assurance to the non-nuclear Powers in Asia we have already begun to discuss with our partners and I would regard this whole issue as one of the most urgent problems on the international agenda for 1965.

"I do not need tonight to stress the central role of race and colour in world relationships.

"The Commonwealth is the greatest multiracial association in a world which is torn apart by race and colour, by suspicion and oppression.

"This means that in the division in the world we cannot be neutral. We are either on the side of our Commonwealth partners or we are on the side of the forces of oppression.

"There is no escape; moral isolation can only earn contempt and equally if this is to be our attitude we have to exorcise from the conduct of our own national affairs the evil spirit of racialism and intolerance.

"The issue of race and colour is an issue bound up with respect for the dignity of man. But equally throughout the Commonwealth we are concerned with the issue of economic development, of raising living standards. Dignity means full self-realisation, of men and of nations. And to every colonial country the fight for freedom does not end with the independence celebrations: rather that moment is seen as the beginning of a new fight for economic status".

ATTACK ON WORLD POVERTY

On overseas aid the Prime Minister said: "Frankly we regard this problem as so important that a new department has been created to cover all aspects of overseas development – a department with a voice in the Cabinet".

Referring to the attack on world poverty he said:

"In that attack, as in every other modern war, we are bringing to the problem all our resources of scientific and technological ability, all our inventiveness in the field of industrial production.

"Equally we plan a much more determined drive in the field of Commonwealth trade. I have never accepted the defeatist doctrine that trade between Britain and our Commonwealth partners is predestined by some supernatural forces to a period of inevitable, inexorable decline.

"Within the machinery of the National Export Council we are setting up new and effective arrangements for strengthening our trading links with Commonwealth countries." (BIS)

(Continued from previous page)

pressure from the South to the North and we must continue to help the countries in that area where necessary.

Although less dramatically, the Philippine economy is also improving steadily. But, our small military aid program there is still essential if we are to assist in achieving improvements in the organization, training and equipment of the Philippine forces. We have a long tradition of friendship with the Philippine people, and it is in our interest to maintain the warmest relations with that country.

Throughout the Far East and South-East Asia, the presence of large and powerful U.S. forces provides an important stabilizing influence as well as clear evidence to friendly nations in those areas of our willingness and ability to meet our security commitments." (USIS)

UNITED KINGDOM POLICY STATEMENT ON UNITED NATIONS

LONDON, February 26 – The following is the text of a statement on the United Nations by the British Secretary of State for Foreign Affairs, Mr. Michael Stewart, in the House of Commons on February 23:

"Now that the General Assembly has adjourned I wish to assure the House that we and the vast majority of nations are determined to do our utmost to see that the United Nations shall emerge from this crisis stronger than before. To this end the Secretary General and the President of the General Assembly have been invited as a matter of urgency to undertake appropriate consultations and a decision has been taken to establish a peace keeping committee. For this outcome much credit is due to my noble friend, Lord Caradon.

"The committee is required to undertake, as soon as possible, a comprehensive view of the whole question of peace keeping operations in all their aspects, including ways of overcoming the present financial difficulties of the organization. It is to submit a report to the General Assembly not later than the 5th of June. The Assembly has adjourned until the 1st of September unless it proves necessary to reconvene it earlier in the light of the committee's report. A single vote necessary to reach this situation, and postponing the article 19 issue, was taken without prejudice to conflicting views.

Recently appointed United Kingdom Ambassador to Thailand, Sir Anthony Rumbold, talks with SEATO Secretary-General, Mr. Konthi Suphamongkhon.

PEACE-KEEPING ROLE

"This country intends to play a leading part in the peace keeping committee and we intend to bring to it new ideas worked out in consultation with experts on United Nations' affairs. Further, as an earnest of our intention, we shall make the following offer of support to United Nations peace keeping. If so requested and subject to our national commitments we will help to provide logistic backing for a United Nations force of up to six infantry battalions. This could include for example short range aircraft, engineering and signal troops, and ambulance, ordnance, and motor transport units. If it were desirable, suitable units of these categories would be earmarked for use as available. Her Majesty's Government also hope to take a share in providing long range aircraft for the transport of peace-keeping forces. The financing of this offer would depend on the arrangements prevailing at the time.

"Great Powers are, and should be, closely concerned with United Nations problems. But they are not alone; the United Nations must develop as a result of discussions and agreement among all its members; great and small. Small nations have played a great part in the United Nations itself, and it is to their interest and that of the United Nations that they should continue to do so. With this in mind the 18th session of the General Assembly passed resolutions expanding the Security Council and the Economic and Social Council. This involves charter amendments which Her Majesty's Government intend to ratify.

EXPERTS CONSIDERING DISPUTES

"It is one thing to keep the peace, another to settle the problems which threaten peace. A number of experts are considering the process of settling disputes by conciliation, mediation, arbitration and other methods. After examining their recommendations we shall expect to make positive suggestions.

"The Security Council, the Economic and Social Council, and many other organs of the United Nations can continue their work despite the Assembly's adjournment. Disarmament negotiations can continue, the United Nations Trade and Development Board can go to work, so can the Human Rights Commission in which Her Majesty's Government have a keen and continuing interest; we shall continue to work in all these fields.

"We have announced our increased contribution to technical assistance and the special fund. Great difficulties remain. But we are determined that solutions must be found, that the United Nations must be enabled to fulfil its task of keeping the peace and improving the conditions of human life." (BIS)

AUSTRALIA "VIGOROUSLY SUPPORTS SEATO" SAYS DEFENCE MINISTER

BANGKOK, February 1, 1965 – Australia today has closer ties with South-East Asia than ever before, Australian Minister for Defence, Senator Shane Paltridge, said today.

The existing close association with countries in this area is of mutual benefit, particularly in the fields of economic development and defence, he said.

These aspects are best shown in Australia's membership in the Colombo Plan and the South-East Asia Treaty Organization.

"We vigorously support SEATO as a multi-national organization to maintain established order and aid economic development in the Treaty Area," Senator Paltridge said.

"Australia views its defence commitment to SEATO in a very realistic and serious way. Further, Australia regards the maintenance of national sovereignties and the defeat of aggression as basic to the orderly progress of the whole area and the progressive lifting of living standards."

Senator Paltridge has been on a three-day visit to Thailand during a tour of South-East Asia. He flew to Ubon to inspect the Royal Australian Air Force Sabre squadron stationed there, and inspected the SEATO-sponsored Thai-Australian £Al-million Vehicle Rebuild Workshop project at Rangsit on the outskirts of Bangkok.

PRIORITY TO DEFENCE

CANBERRA, (AID) – Australia's new defence effort would in future take a greater share of available national resources, the Minister for Labour and National Service, Mr. W. McMahon, said on February 9. The rate of growth in housing, commercial building and motor vehicle production should slow down in the future, Mr. McMahon said.

"To the best of its ability, the Government will ensure that these resources are made available and priority given to defence," he said. "It is inevitable that some shift in the growing availability of resources will take place."

Mr. McMahon warned that some "paring at the margins" would be necessary and this would apply to Government spending on non-defence items.

Growth in production would continue but at slower pace than in recent years, because few unemployed resources were available now. Industrial production had to keep rising as the basis of national growth and the foundation of Australia's defence efforts, Mr. McMahon said.

DE GAULLE INVITED TO PAKISTAN

RAWALPINDI, February 6 (Reuter) – President Ayub Khan today invited President De Gaulle to visit Pakistan in the near future.

The Pakistan leader was saying farewell to French Prime Minister M. Georges Pompidou and his Foreign Minister, M. Maurice Couve de Murville shortly before they left for Lahoreon the second day of their official three-day visit to Pakistan.

M. Pompidou said he was extremely satisfied with their talks.

OBLIGATIONS IN SOUTH-EAST ASIA

CANBERRA, February 25 (AIS) – Australia has more responsibilities in South-East Asia than any other country, the Prime Minister, Sir Robert Menzies, told a press conference in Canberra recently. He said Australia has five responsibilities in South-East Asia.

These are:–

* The defence of Australia and Papua-New Guinea;
* The defence of Malaysia, in partnership with the United Kingdom and New Zealand in ANZAM;
* Obligations under SEATO through which Australia is now directly involved in South Vietnam;
* The ANZUS Treaty obligations which Australia shares with the United States and New Zealand;
* A unilateral obligation to Malaysia to provide military aid if Malaysia suffered armed invasion or subversive activity.

PRIORITY FOR RESPONSIBILITIES

Sir Robert Menzies said that he had discussed with the British Prime Minister, Mr. Harold Wilson, in London, the question of getting some sort of priority in these responsibilities.

This was Sir Robert's first formal press conference since his return from overseas on February 8.

He said that in London he had discussed ways and means of reconciling views from time to time and of obtaining some order of priority between the United Kingdom, the United States, New Zealand and Australia.

Sir Robert said there would arise times when an actuality like fighting in and around Malaysian must be balanced with a contingency such as obligations that might arise under SEATO.

VIETNAM:

HANOI STEPS UP INFILTRATION INTO SOUTH VIET-NAM

WASHINGTON, January 28, 1965 – Infiltration of North Vietnamese officers, military experts, technical specialists and political advisers, providing the Communist Viet Cong in South Viet-Nam with a firm leadership link with Hanoi, with elite troops, supply organizations and air defences, considerably increased during 1964.

With the supply of native South Vietnamese trained in the North drying up, infiltration from North Viet-Nam is increasingly creasingly composed of North Vietnamese. They now account for a substantial and vital contingent of the "hard core" of the Viet Cong in the South.

By contrast, there has been no change in the number of irregulars supporting the guerrillas in South Viet-Nam.

This is the picture that emerges from greatly hardened intelligence based on improved South Viet-Nam interrogation techniques and information from a great number of captured Viet Cong.

The picture, revealed January 26 in Saigon by informed sources has been confirmed by American officials in Washington. They stress that the "hardened" data dispel any doubt about the existence and the significant volume of infiltration from North Viet-Nam, or about the measure of control exercised from Hanoi, by way of an elaborate communications set-up, over the conduct of the guerrilla warfare in South Viet-Nam.

Based on counts available from at least two sources, the number of infiltrators certain to have come from the North since 1959 is 19,000.

In addition, on the basis of counts not double checked, but considered reliable, an additional 15,000 men must be added to the total infiltration. This comes all told to 34,000 men moved from North Viet-Nam to South Viet-Nam.

SCARCITY OF S. VIETNAMESE

A breakdown of the 19,000 "certain" infiltrators shows variations over the years: Some 1,800 for 1959-60. 3,700 for 1961 and 5,800 for 1962 – two years when training in the North was stepped up. There was a decline to 4,000 in 1963, possibly because of the scarcity by that time of South Vietnamese available for training in the North.

In the first seven months of 1964, it is certain that a minimum of 4,000 men infiltrated from the North. The significant fact, however, is not only the likely increase to possibly as many as 10,000 infiltrators over the full year, but that 3,600 (or 90 per cent) of the infiltrators were native to North Viet Nam, filling the gap left by the shrinkage of available South Vietnamese.

Another change that has taken place is the organization of the Viet Cong hard-core into larger units, with the number of small, independent units shrinking.

The number of irregulars has remained between 60,000 and 80,000.

American officials point out that these figures are being made public at this time not as a prelude to new policy decisions, but to update the record now solidly established.

They also now have a better insight into the methods and the geography of infiltration.

Infiltrators normally move in groups of 30 to 40, but sometimes in groups as small as five or as large as 500 men. They move from their principal training center in Xuan May in North Viet-Nam by truck then, on reaching the border, on foot.

At the border they change into the black garb of the Viet Cong, are re-equipped, given new documents. From there they move into South Viet-Nam through that complex system of trails that is known as the Ho Chi Minh Trail, either directly or through Laos and along the Cambodian border. While trained in units, they do not re-form into like units at their destination but are used to strengthen hard-core cadres or form new Viet Cong cadres. (USIS)

CAPTURED DOCUMENTS REVEAL ORDERS TO VIET CONG

SAIGON, Januray 8, 1965 – Captured documents disclose that new instructions were given communist agents at a recent meeting in the jungle headquarters of the Viet Cong's propaganda command for the Saigon area, authoritative sources have reported.

The instructions detail a "three-front offensive," the official news agency Viet-Nam Press reported Jan. 7. In the political field, the agents were told to stir up anti-government disturbances to heighten the tension. They also must seek to split the ranks of the administration and the Army from within. The third point was that large attacks are to be launched in the field to support the first two subversive activities.

Other orders given to the communist agents were to expand and consolidate the "university and high school students federation," to seize control of anti-government moves by religious or political groups, and also to step up propaganda against America and incite the population to call for peace (USIS)

"STAND FIRM AND BE PATIENT"

WASHINGTON, February 1 – The U.S. must stand firm and be patient in South Viet-Nam, Assistant Secretary of State for Far Eastern Affairs William P. Bundy declared last week.

In an address on American policy in South Viet-Nam and South-East Asia, Mr. Bundy pointed out that as a great power, "we are now and will continue to find ourselves in situations where we simply do not have easy choices, where there simply are not immediate or ideal solutions available."

He said the U.S. cannot allow itself to yield to frustration but must stick to the job, doing all it can and doing it better. "The national interests that have brought us into the Viet-Nam struggle are valid," he noted, "and they do not become less so just because the going gets rough and the end is not yet in sight."

The Assistant Secretary explained that, since 1954 U.S. policy in this part of the world has been based on a commitment "to do what we could to help these nations attain and maintain the independence and security to which they were entitled–both for their own sake and because we recognized that, like South Korea, South-East Asia was a key area of the mainland of Asia. If it fell to communist control, this would enormously add to the momentum and power of the expansionist communist regimes in Communist China and North Viet-Nam, and thus to the threat of the whole free-world position in the Pacific."

ALTERNATIVES

Discussing how America should now approach the situation, Mr. Bundy had this to say:

"As to our basic policy, the alternatives to our present course might be, on the one hand, to withdraw or to negotiate on some basis such as what is called "neutralization," or, on the other hand, for the Vietnamese and ourselves to enlarge the war, bringing pressure to persuade Hanoi, by force, that the game they are playing is not worth it.

"It is also suggested that the United Nations might be of help. There may emerge possibilities for a U.N. role, but it is not clear that the U.N., which has been unable to carry through commitments such as the Congo, would be able to act effectively to deal with this far more difficult situation in its present form. And this has been the public judgment of the U.N. Secretary-General, Mr. U Thant.

"As to the basic alternatives, so long as South Viet-Nam is ready to carry on the fight, withdrawal is unthinkable. A negotiation that produced a return to the essentials of the 1954 accords and thus an independent and secure South Viet-Nam would of course be an answer, indeed the answer. But negotiation would hardly be promising that admitted communism to South Viet-Nam, that did not get Hanoi out, or that exposed South Viet-Nam and perhaps other countries of the area to renewed communist aggression at will, with only nebulous or remote guarantees.

"As for enlarging our own actions, we cannot speak surely about the future–for the aggressors themselves share the responsibility for such eventualities. We have shown in the Gulf of Tonkin that we can act, and North Viet-Nam knows it, and knows its own weaknesses. But we seek on wider war, and we must not suppose that there are quick or easy answers in this direction.

"The root of the problem, to repeat, is in South Viet-Nam. We must persist in our efforts there, with patience rather than petulance, coolness rather than recklessness, and with a continuing ability to separate the real from the merely wished-for." (USIS)

NEUTRALISM COMMUNIST TAKEOVER

MANILA, January 26 (AP) – Foreign Secretary Mauro Mendez has called neutralization of South Viet-Nam "the simplest way to a Communist takeover and the unification of the North and the South under Red rule."

The Foreign Secretary, taking a firm stand against neutralism for the Philippines as well, said in a speech Saturday that this country could not escape involvement if the struggle in Viet-Nam expanded into a larger war.

"We Filipinos must realize that our cause, along with that of the entire Free World, is now being defended..... in the capital city of Saigon and the forests of Viet-Nam," he said.

"It would be a fatal mistake to close our eyes to this clear and present danger to our lives and our own peace."

Addressing the Philippine Society of International Law, Mendez reviewed past cases of neutralized states and observed that "history is littered with scraps of paper representing treaties and conventions of neutrality repudiated by the very powers that vowed to honor them."

LAOS IN IMMINENT DANGER

Regarding South Viet-Nam's neutralized neighbor, he said "The conclusion is inescapable that the little kingdom of Laos is in imminent danger of being swallowed up by the Peking monster."

If the Communist movement in the Philippines should ever get out of hand, Mendez said, there are those who would propose neutralism as the remedy.

"Then we know what the aim would be," he said, "and that is to disarm us and to set everything ready for a takeover of all our fundamental rights and freedoms.

"I need not suggest to you to be on your guard against the professional neutralists. You know who they are and what they want: To pave the way for your eventual annexation to the totalitarian empire of Moscow or Peking."

SOUTH VIET-NAM INDEPENDENCE VITAL

Statement by Australian Minister for Defence, Senator Shane Paltridge

SAIGON, January 29, 1965 – "This visit to Vietnam has been one of great importance and interest for me. The Australian Government has been giving very close attention to the situation in Vietnam and considers that the maintenance of an independent South Vietnam is a matter of vital importance. In this conviction, the Australian Government has been assisting South Vietnam in non-military fields and by providing military advisory assistance and logistic support. Australian aid to Vietnam commenced in 1956 and was substantially increased last year in both the military and non-military fields. I shall shortly be saying something further about aid.

"While in Vietnam I have visited Australian soldiers working as jungle warfare instructors at Duc My Ranger Training Camp near Nha Trang and I shall talk to the men serving with the RAAF Transport Flight, Vietnam, which is based at Vung Tau.

"I have also had useful conversations with His Excellency the Acting Head of State and leading members of the Government, including the Acting Prime Minister, Vice-Premier Vien and the Minister for the Armed Forces, General Tran Van Minh, Ambassador Taylor and General Westmoreland and with the Australian Ambassador and his staff. I shall leave Vietnam with a much more intimate understanding of the difficulties and frustrations of this people's struggle and of the defence needs and problems of the country.

MORE NON-MILITARY AID

"Reverting to aid, I am pleased to announce that, following discussions in recent weeks with the Vietnamese Government, the Australian Government has agreed to make available additional non-military aid to Vietnam to assist in the pacification program. Some supplementary military aid will also be given. Last year I announced that a special aid investigation team would be sent to Vietnam to investigate ways in which Australian aid could be increased. This team conducted investigations throughout South Vietnam and made numerous specific recommendations covering assistance to agriculture and in the fields of engineering, medical services and social welfare. Some of these recommendations, including the despatch of a surgical team, have already been put into effect.

"Others which I am now able to announce are:

- An Australian engineering team will arrive in Vietnam shortly. This team will work on the development of the Bien Hoa town water supply as a major project and, at the same time, will help improve road construction and maintenance techniques in conjunction with the provincial road authorities. The team will also investigate the possibility of undertaking additional tasks, including a proposal for the building of two canal bridges in the port of Saigon.
- A further shipment of 3,000 tons of galvanised corrugated iron will be sent to Vietnam to complete satisfaction of the Vietnamese Government's request for 6,000 tons to be used for the military dependants' housing scheme.
- About one million copies of text books will be printed in Australia in the Vietnamese language for use in village primary schools throughout South Vietnam.

Australian Minister for Defence, Senator Shane Paltridge, meets Australian servicemen during a visit in February to the Thai-Australian Vehicle Rebuild Workshop, near Bangkok. From left to right: Warrant Officer R.P. Hartney, Warrant Officer C.M. Harrington, and Captain N. McK. Stewart.

ADDITIONAL ARMY, AIRFORCE HELP

"The Australian Government will also provide additional military aid to Vietnam in the form of 17 more army training instructors, bringing the total in Vietnam to 100 and a replacement for the Caribou aircraft damaged some time ago.

"I am sure that these additions to the sum of aid Vietnam is receiving from more than 20 of her allies will be a further encouragement to the Vietnamese people to continue their struggle against aggression with ever-increasing determination. The Australian Government and people will continue to watch their progress with close and sympathetic interest. It is, of course, clear that the efforts of the Vietnamese Government and people and those of their allies can be fully effective only on the basis of a balanced political structure. In Vietnam, as elsewhere, a stable government will be an indispensable prerequisite to the successful outcome of the struggle against Communist subversion and terrorism." (AIS)

Assault boats on river patrol in southern Thailand in the final phase of Exercise Jungle Drum III. This joint Thai-U.S. military exercise held in March involved 39 ships and 10,000 men from both countries in the planning and execution of combined amphibious operations.

NORTH VIETNAM TARGETS BOMBED

AUSTRALIA: HEARTEN FREE COUNTRIES

CANBERRA, February 8 – The following is the text of the statement issued by the Australian Minister for External Affairs, Mr. Paul Hasluck, on February 9 on the United States air attack on targets in North Vietnam.

"The Australian Government has received information from the United States Government about the action taken against targets in North Vietnam. We support that action.

"This action was a response to aggression. It was limited to military targets in the southern part of North Vietnam from which arms and men had been supplied to carry out aggression. These targets were directly related to infiltration from North Vietnam into South Vietnam. The method was fitting and the targets were appropriate.

"It will hearten the free countries of Asia to see this evidence of the continued determination of the United States to assist free peoples to defend their freedom and to maintain their independence.

"The aggressor holds the answer. He either has to stop or be stopped."

NEW ZEALAND: MUCH GRAVER

WELLINGTON, February 8 – "The situation in Vietnam has become much graver in the last few months", said the Prime Minister Mr. K.J. Holyoake today about the action taken by South Vietnamese and American forces against military installations in North Vietnam on February 7.

"As I have emphasized on several occasions since 1960, Communist guerillas inspired, directed and supplied from North Vietnam have waged an increasingly vigorous campaign against the Republic of South Vietnam. Attacks against American installations and the infiltration of aid from the North have raised in acute form the role of Communist North Vietnam in the fighting in the South.

"The installations against which retaliatory attacks have been made were, I understand, among those employed in that direction and the recently stepped up support of the Viet Cong aggressors in South Vietnam. The purpose of the American Government in taking retaliatory action is clearly to warn the authorities in Hanoi of the dangers of their policies and induce them to follow a course more in accordance with the vital needs of their own country and of South-East Asia as a whole.

"Only peace based on respect for the rights of others can enable the countries of Asia to undertake the more urgent – for the long term – tasks of economic and social development." (Dept. of Ext. Aff.)

PHILIPPINES: GOOD LESSON

TAIPEI, February 10 (AP) – The Chief of the Philippine General Staff said the bombing of military targets in North Vietnam should be a good lesson to the Communists.

"It proves the determination of the United States and its allies to take retaliatory action." General Alfredo M. Santos said on his arrival in Taipei for a five-day visit to Formosa.

General Santos said the Philippines had not sent any combat troops to South Vietnam and whether it did so was up to the President of his country.

He said the Philippines had sent only non-combat help to South Vietnam, such as medical and psychological teams, and expressed the belief that their strength would be increased.

COMMUNIST BLOC WEAPONS CAPTURED

SAIGON, February 1, 1965 – In a new protest note to the International Control Commission (ICC), the Vietnamese Liaison Mission supports its charge that the Viet Cong's so-called "Liberation Front" is nothing but a name masking an armed aggression directed from without by North Viet-Nam and supplied with arms by countries in the international communist bloc.

Report of the protest was carried in Viet-Nam Press, official government news agency.

The mission listed a total of 835 weapons captured from the "Liberation Front" – from rifles to anti-aircraft machine guns and 75 mm recoilless cannon –produced in the communist bloc and supplied to the forces opposing the Vietnamese Government in clear violation of the 1954 Geneva Accords on the cessation of the hostilities.

The 835 weapons came from the Soviet Union, Communist China, Czechoslovakia and East Germany. Among them were:

- – 580 rifles (Russian),
- – 150 submachine guns (Czech),
- – 5/75 mm recoilless cannons (Red China),
- – 9/67 mm recoilless cannons (Red China),
- – 49 Russian-model Kalsshnikov submachine guns (Red China)
- – 16/7.62 mm light machine guns, copies from a Russian type (Red China),
- – 14/7.92 mm light machine guns (Red China),
- – 5/7.92 mm rifles (East Germany),
- – 3/7.92 mm anti-aircraft machine guns (East Germany),
- – 4 rocket launchers bearing Chinese characters (Red China)

VIET CONG BASES, DUMPS DESTROYED

Most recent proof, the mission told the ICC, is the war tropphies captured in Ba Xuyen Province in the operation conducted from Dec. 27 to 29. Among the 32 weapons captured were one Red Chinese recoilless cannon, 10 Czech submachine guns and six Russian rifles. It was reported 11,000 rounds of ammunition for the latter weapons were captured, as well as 52 rounds for 67 and 75mm recoilless cannons.

Six field telephones and a map made in Red China were also taken during the three-day operation.

The liaison mission also reported that recently 2,699 communist arsenals, supply dumps, training and logistics centres were destroyed by Vietnamese Government forces at Red strongholds in Gia Dinh, Bien Hoa, Kontum, Phu Yen, Quang Navi, Darlac, Pleicu, Phu Bon, Binh Duong and Tay Ninh Provinces.

Counting enemy installations previously destroyed, the mission siad, a total of 6,620 communist bases and facilities of all types have been destroyed.

All these installations could have been set up only with the aid of North Viet-Nam and other communist countries, it asserted.

The obvious conclusion, it added, is that the "Liberation Front" is only a puppet organization directed and supplied from outside South Viet-Nam.

Without this assistance the "Liberation Front" would never be strong enough to continue its aggression in South Viet-Nam, the liaison mission said. (USIS)

Experts from SEATO member nations discussed the future of the Organization's Graduate School of Engineering in Bangkok. From left to right: Mr. S.M. Huda, SEATO Economic Services' Director; Mr. Milton E. Bender, Dean of SEATO Graduate School of Engineering; Mr. Achille Clarac, French Ambassador and SEATO Council Representative who decared the conference open; SEATO Secretary-General, Mr. Konthi Suphamongkhon; and Deputy Secretary-General, Mr: David Wraight.

PRESIDENT JOHNSON'S INAUGURAL ADDRESS

WASHINGTON, January 21 – Following is full text of President Johnson's inaugural address as actually delivered:

"My fellow countrymen: On this occasion, the oath I have taken before you and before God, is not mine alone, but ours together. We are one nation and one people. Our fate as a nation and our future as a people rest not upon one citizen but all citizens.

"That is the majesty and the meaning of this moment.

"For every generation, there is a destiny. For some, history decides. For this generation, the choice must be our own.

"Even now, a rocket moves toward Mars. It reminds us that the world will not be the same for our children, or even for ourselves in a short span of years. The next man to stand here will look out on a scene that is different from our own, because ours is a time of change – rapid and fantastic change – baring the secrets of nature – multiplying the nations – placing in uncertain hands new weapons for mastery and destruction – shaking old values and uprooting old ways.

DESTINY OF NATION

"Our destiny in the midst of change will rest on the unchanged character of our people and on their faith.

"They came here – the exile and the stranger, brave but frightened – to find a place where a man could be his own man. They made a covenant with this land. Conceived in justice, written in liberty, bound in union, it was meant one day to inspire the hopes of all mankind, and it binds us still. If we keep its terms we shall flourish.

"First, justice was the promise that all who made the journey would share in the fruits of the land. In a land of great wealth, families must not live in hopeless poverty. In a land so rich in harvest, children just must not go hungry. In a land of healing miracles, neighbors must not suffer and die untended. In a great land of learning and scholars, young people must be taught to read and write.

"For more than thirty years that I have served this nation, I have believed that this injustice to our people, this waste of our resources, was our real enemy. For thirty years or more, with the resources I have had, I have vigilantly fought against it. I have learned and I know that it will not surrender easily.

"But change has given us new weapons. Before this generation of Americans is finished, this enemy will not only retreat – it will be conquered.

"Justice requires us to remember: When any citizen denies his fellow, saying: His color is not mine or his beliefs are strange and different, in that moment he betrays America, though his forebears created this nation.

BILL OF RIGHTS

"Liberty was the second article of our covenant. It was self-government, it was our bill of rights. But it was more. America would be a place where each man could be proud to be himself: Stretching his talents, rejoicing in his work, important in the life of his neighbors and his nation.

"This has become more difficult in a world where change and growth seem to tower beyond the control and even the judgment of men. We must work to provide the knowledge and the surroundings which can enlarge the possibilities of every citizen. The American covenant called on us to help show the way for the liberation of man, and that is our goal. Thus, if as a nation, there is much outside our control, as a people no stranger is outside our hope.

"Change has brought new meaning to that old mission. We can never again stand aside prideful in isolation. Terrific dangers and troubles that we once called "foreign" now constantly live among us. If American lives must end, and American treasure be spilled, in countries that we barely know, then that is the price that change has demanded of conviction and of our enduring covenant.

"Think of our world as it looks from that rocket that is heading toward Mars. It it like a child's globe, hanging in space, the continent stuck to its side like colored maps. We are all fellow passengers on a dot of earth. And each of us, in the span of time, has really only a moment among our companions.

WORLD ENOUGH FOR ALL

"How incredible it is that in this fragile existence we should hate and destroy one another. There are possibilities enough for all who will abandon mastery over others to pursue mastery over nature. There is world enough for all to seek their own way.

"Our nation's course is abundantly clear. We aspire to nothing that belongs to others. We seek no dominion over our fellow man, but man's dominion over tyranny and misery.

"But more is required. Men want to be part of a common enterprise – a cause greater than themselves. And each of us must find a way to advance the purpose of the nation, thus finding new purpose for ourselves. Without this, we will simply become a nation of strangers.

"The third article is union. To those who were small and few against the wilderness, the success of liberty demanded the strength of the union. Two centuries of change have made this true again.

"No longer need capitalist and worker, farmer and clerk, city and countryside, struggle to divide our bounty. By working shoulder to shoulder we can increase the bounty of all.

"We have discovered that every child who learns, and every man who finds work, and every sick body that is made whole – like a candle added to an altar –brightens the hope of all the faithful. So let us reject any among us who seek to reopen old wounds and rekindle old hatreds. They stand in the way of a seeking nation.

PROGRESS WITHOUT STRIFE

"Let us now join reason to faith and action to experience, to transform our unity of interest into a unity of purpose. For the hour and the day and the time are here to achieve progress without strife, to achieve change without hatred; not without difference of opinion but without the deep and abiding divisions which scar the union for generations.

"Under this covenant of justice, liberty and union, we have become a nation; prosperous, great and mighty. And we have kept our freedom. But we have no promise from God that our greatness will endure. We have been allowed by Him to seek greatness with the sweat of our hands and the strength of our spirit.

"I do not believe that the Great Society is the ordered, changeless, and sterile battalion of the ants. It is the excitement of becoming – always becoming, trying, probing, falling, resting, and trying again–but always trying and always gaining.

"In each generation – with toil and tears – we have had to learn our heritage again. If we fail now, then we will have forgotten in abundance what we learned in hardship: That democracy rests on faith, that freedom asks more than it gives, and the judgment of God is harshest on those who are most favored.

NATION OF BELIEVERS

"If we succeed, it will not be because of what we have, but it will be because of what we are; not because of what we own, but rather because of what we believe. For we are a nation of believers. Underneath the clamor of building and the rush of our day's pursuits, we are believers in justice and liberty and union. And in our own union we believe that every man must some day be free. And we believe in ourselves.

"That is the mistake that our enemies have always made. In my lifetime – in depression and in war – they have awaited our defeat. Each time, from the secret places of the American heart, came forth the faith that they could not see or that they could not even imagine, and it brought us victory. And it will again.

"For this is what America is all about, It is the uncrossed desert and the unclimbed ridge. It is the star that is not reached and the harvest that is sleeping in the unplowed ground.

"Is our world gone? We say farewell. Is a new world coming? We welcome it – and we will band it to the hope of man.

"To these trusted public servants and to my family, and to those close friends of mine who followed me down this long, winding road and to all the people of this nation and the world, I will repeat today what I said on that sorrowful day last November.

"I will lead and I will do the best I can.

"But you – you must look within your own hearts to the old promises and the old dream. They will lead you best of all.

"For myself, I ask only in the words of an ancient leader: 'Give me now wisdom and knowledge that I may go out and come in before this people: For who can judge this, thy people, that is so great?'"

PHILIPPINES BOND ISSUE OVERSUBSCRIBED

NEW YORK, January 21 (AP) – The Philippine Government offered a 15 million dollar bond issue Tuesday – the country's first venture into the capital markets of the world and within hours the issue was oversubscribed, the New York Times reported.

The 1,000 dollar bonds pay 6.5 per cent interest and will mature in 15 years. They were offered at 98–1/2, or 985 dollars each.

THAI FIVE-YEAR ROAD PROGRAM

LONDON, January 18 (Reuter) – A British firm of consulting engineers, T.P. O'Sullivan and Partners, have been retained by the Thai government to help in a five-year highway program, it was announced here today.

The International Bank of Reconstruction and Development has under taken to finance the 25 million dollar scheme.

Work on the initial two-year contract begins on February 1.

CONSTITUTIONAL GOVERNMENTS FOR BEST SUITED

MANILA, February 8 (AP) – Mr. Earl Warren, Chief Justice of the U.S. Supreme Court, declared that constitutional government is only for a strong nation–a nation strong in character.

Mr. Warren addressed a dinner given in his honor on the 30th anniversary of the Philippine constitution. Earlier in the day he received an honorary doctorate of laws from the University of the Philippines.

The Chief Justice explained: "Now when I refer to a strong nation, I do not mean one which is necessarily strong in a military or economic sense.

"I mean a nation which is strong in character, strong in the knowledge that every segment of its society must be accorded a plan of dignity and a fair opportunity to realize its potential, the best that is in it."

STERNEST TEST

The sternest test of a constitution's durability, he said, comes when the rights of minorities are at stake. For when that happens, he asserted, the rights of all are at stake.

"The true believer in constitutional government knows that the rights of the most powerful are jeopardized when the rights of the weakest are violated. The integrity of any constitution can be preserved only as long as this vital rule is observed."

Mr. Warren warned, against a tendency of people living in constitutional democracies to take their freedoms for granted.

"There are some," he said, "who take an indulgent view when 'little' freedoms are lost–provided, of course, they are the freedoms of someone else. There are others who would postpone facing up to safeguarding constitutional rights until the day of the rude awakening–when it is too late.

"We cannot ignore the fact that all of us must be on the alert, at all times–when things are going smoothly as well as during periods of stress and crisis–to keep our cherished freedoms from going by default."

SUPPORT OF PEOPLE IS ESSENTIAL

He asserted that active support of the people is essential to the survival of a constitution.

"Indeed, a constitution can just as easily become ineffective or anachronistic through erosion caused by indifference as it can by outright abrogation," he said.

The Chief Justic is visiting the Philippines as guest of the Philippine Constitution Association, a private organization of judges, lawyers, public officials and other distinguished figures.

Mr. Warren told the gathering the Philippines has emerged as a country with enduring values of freedom which have promoted social and economic progress.

"You have had more extensive experience with constitutional republican institutions than any other nation in the Far East," he said.

He cited the problem of "achieving equality for people of all races and creeds and national origins" as the over-riding issue of the day for the United States.

GAP BETWEEN CONCEPT AND PRACTICE

The Chief Justice observed that although the concept of equality was basic to the structure of the U.S. government, there has been a gap between the concept and American practice.

"The great concern of our Congress and of our court," he said, "has been to close this gap and to make meaningful these priceless principles of the Declaration (of Independence) and of our constitution."

After reviewing other recent concerns of the U.S. Supreme Court, Mr. Warren turned his remarks to the United Nations.

An international rule of law, he said, would provide the only rational resolution to conflicts between countries.

He asked "Is it too much to hope that some day the Universal Declaration of Human Rights will be considered and respected by all countries throughout the world as the focal part of world constitutional law?

"I am optimistic enough about the future to feel that the day will come, though maybe not in our lifetime or that of our children, when this will be a reality."

AFRO-ASIAN ORGANIZATION SUGGESTED

LAHORE, February 11, (Reuter) – Mr. Zulfiqar Ali Bhutto, Pakistani Foreign Minister, today suggested the foundation of an organization similar to the Organization of African Unity (OAU) to settle disputes between Afro–Asian countries.

He told delegates attending an Afro – Asian seminar on art, literature and culture that such an organization would be able to supplement work done by the United Nations.

Mr. Bhutto said Afro – Asian countries had to build up traditions of equal and just relationships between themselves to ensure that local Imperialism did not emerge to replace Western Colonialism.

ECONOMIC RELATIONS AMONG SEATO COUNTRIES

On February 22, 1965, Pakistan's SEATO Council Representative, His Excellency Mr. M.S.A. Baig, gave an opening address and welcome on behalf of Council Representatives to a meeting of the Expert Study Group on the development of economic relations among member-countries of the South-East Asia Treaty Organization.

"The provisions of the Manila Treaty call on members of the Alliance to co-operate with one another in the promotion of economic development and social welfare. It is, therefore, incumbent upon each member to do every thing possible to further individual and collective efforts in this direction.

"The problems to which you will address your expert knowledge and experience are set out in the excellent background paper which has been prepared by the Secretariat-General of the Organization. These are difficult and complex issues and have a direct bearing on the economic and technical resources, plans, and capabilities of individual member countries. I am, therefore, aware of the difficulties which you are likely to encounter as you proceed with your deliberations. But it may encourage you to discover that the SEATO framework, because of its manageable size, provides a convenient means for finding solutions and remedies for the many problems which exist between member-countries at different stages of economic development.

IDEAL FORUM

"These problems, as experience has shown, cannot easily or speedily be resolved in organizations larger than SEATO. The size of membership in SEATO, the economic posture of the member-countries, and their common international political objectives, make it an ideal forum for the discussion of problems of economic co-operation. I am sure that with your knowledge and experience you will succeed in finding suitable answers to the problems which at present hinder better economic relations between our various member countries.

"The growing importance of economic co-operation and its vital bearing on our individual and collective capacity for defence against aggression needs no elaboration. The strength of SEATO as a Defence Organization is in direct proportion to the degree and extent of economic cooperation existing between member States. The intimate relationship between defence and a sound economic base is certainly well recognised.

"We look forward to your Report which, I am sure, will contain positive and specific recommendations for promoting greater economic cooperation among the members of our Alliance. I have no doubt that your deliberations will be constructive and useful and that they will serve to inspire and give impetus to a new era in SEATO relations."

SEATO Expert Study Group on Economic Relations held its first session in Bangkok in February. Its purpose was to examine the fostering of closer economic relationships between member countries. Pictured at the opening are (l to r): Mr. S.M. Huda, SEATO Director of Economic and Social Affairs; Mr. Konthi Suphamongkhon, SEATO Secretary-General; Pakistan Ambassador M.S.A. Baig, Chairman of SEATO Council Representatives for February; Deputy Secretary-General, Mr. David A. Wraight; and Mr. E. Robles, Economic and Social Affairs Officer.

Economic experts from SEATO's eight nations met in Bangkok to map out a program of closer co-operation. Here delegates from Pakistan, Thailand, and the United Kingdom are shown in session.

Determination of Areas for Economic Cooperation

Address by Secretary-General, Mr. Konthi Suphamongkhon

"You are aware that our Organization has just completed its first decade of existence. All the people of South-East Asia, members or non-members alike, are following with great interest the development of its activities. The Communists, however, fearing SEATO as an obstacle to their avowed expansion, have made frantic efforts to depict it as a purely military alliance, aggressive in nature, in the hands of so-called Western Imperialism.

"Such allegation is indeed without foundation. The preservation of peace and security constitutes the prime objective of the 1954 Manila Treaty. Defence serves as the means of achieving this end, and by defence the authors of the Treaty had in mind many things more than military preparedness.

"With prudence and vision they have agreed, as stated in Article 3 of the Treaty, to strengthen their free institutions and to cooperate with one another in the further development of economic measures designed both to promote economic progress and social well-being and to further the individual and collective efforts of Governments towards these ends.

MORE IMPETUS WANTED

"In implementation of this provision, SEATO has undertaken certain projects in the purely economic and humanitarian fields for the common benefit of all people in South-East Asia. Still I feel constrained to say, in a spirit of self-criticism, that much more could be done to improve the economic relations among member countries. The time has now come for SEATO to give more impetus to the said Article 3, and for the members to inaugurate a closer economic cooperation program setting forth specific measures on a planned, rather than on an ad hoc, basis. It is true that there are already in existence diverse ways of promoting economic relations between nations. It seems to me, nevertheless, that between like-minded nations, between allies, there should be better possibilities worth exploring and that special consideration could be given to each other.

"Hence I have directed my attention to this problem. I have sought from the members their views. The alternative is simple–whether they would like to see in SEATO a temporary measure of expediency to cope with a certain situation arising out of Communist moves for expansion, or an organization on a firmer basis through which fruitful cooperation can be achieved in the various fields for the mutual benefit of member nations.

"When the members unamimously agreed to convence the meeting of your Study Group, their option was self-evident.

TASK NOT EASY

"Ladies and Gentlemen, you are assembled here with a solemn responsibility to determine the areas where economic cooperation can be fostered between member nations which would assist in the economic progress and welfare of the developing countries of South-East Asia. A working paper has been prepared to provide a preliminary framework for your discussion. The task before you, as stipulated in your terms of reference, is by no means an easy one, but being as you are expert in the relevant field and possessing deep knowledge of the problems to be confronted, I am sure that you will be in a position, together, to offer your considered views and recommendations.

"On behalf of SEATO I would like to thank you all for having agreed to serve on the Study Group and to thank your Governments for having made your service available. For the next fortnight you will be nothing but SEATO experts called upon to give your views in full freedom of expression on a subject of vital importance not only to the SEATO members but also to the very life and future of our Organization. It is therefore with great expectation that we shall follow your work. I wish you every success in your deliberations."

AGRICULTURE DOMINANT SUBJECT OF SEATO SCHOLARS

BANGKOK, February 19, 1965 – Of the 12 awarded SEATO Post-Graduate Scholarships, nine will specialize in one or another of the various branches of agriculture, according to an announcement by the SEATO Office of Cultural Affairs. SEATO Post-Graduate Scholarships are given each year to 12 scholars, four from each of the three Asian member nations: Pakistan, the Philippines, and Thailand, for advanced studies in either of the two countries other than their own.

This year's awards:

PAKISTAN

Mr. A.M. Chaudhry of Lyallpur, West Pakistan, to work for a Ph.D. in Plant Breeding at the University of the Philippines; Mr. M.E.U.H. Tusneem, also of Lyallpur, who will be an M.S. candidate in Soil Science at either Kasetsart University in Bangkok or the University of the Philippines; Mr. M.M. Rahman of the Pakistan Agricultural Research Institute at Dacca, East Pakistan, to work for a Ph.D. Plant Breeding at the University of the Philippines; and Mr. C.S. Saha of the Atomic Energy Agricultural Research Centre at Dacca, to work for a Ph.D. in Agricultural Botany at Araneta University in Rizal, the Philippines.

THE PHILIPPINES

Mr. F.D.M. Angeles, Dean of the Collegiate Department at the Magsaysay Memorial College in Cotabato, to work for an M.A. in Islamic Studies at the University of Sind, West Pakistan; Mr. J. Imlan, Assistant Professor at the Mindanao Institute of Technology, for a Ph.D. in Horticulture at the West Pakistan Agricultural University at Lyallpur; Mr. E. Cabacungan, Assistant Instructor at the Central Luzon State University, to work for an M.S. in Agricultural Education at Kasetsart University; and Mr. N.C. Respicio, Agricultural Extension Officer in Isabela, for an M.S. in Entomology, also at Kasetsart University.

THAILAND

Mr. Prasan Chandranoi of the Rice Department, to study for an M. Agr. in Agricultural Extension at the West Pakistan Agricultural University, Lyallpur; Mr. Prasit Amkatesakul of Ubol Teachers' College in Northeastern Thailand, to study for a Master of Education at the University of the Philippines; Mr. Lert Chantanaparp of Kasetsart University, for an M. Agr. in Agricultural Botany at the University of the Philippines; and Mr. Charnvit Kasetsiri of the Bangkok Municipality, for an M.A. in Political Science at the University of the Philippines.

Since its inception in 1959, the SEATO Post-Graduate Scholarship Program has enabled nearly a hundred scholars from Pakistan, the Philippines and Thailand to undertake advanced studies in their chosen fields, and to act as ambassadors of goodwill in countries linked with their own under the South-East Asia Collective Defence Treaty.

PHILIPPINES – USA CREDIT AGTEEMENT

MANILA, December 28 – President Macapagal on December 22 witnessed the signing at Malacanang of a 16 – million pesos credit agreement between the Philippines and the United States.

The agreement was signed by NEC Chairman Hilarion Henares, Jr., for the Philippine government, and by Director James Ingersoll of AID for the United States government.

The loan agreement represents a line of credit under the provision of Sec. 104 (g) U.S. P.L. 480 from the Agency for International Development in favor of the Philippine Government to be used principally for economic development.

The loan will be generated out of the proceeds of sale of rice to the Philippines under the Agricultural Commodities Agreement between the Philippines and the United States signed last May 14 this year.

Under this agreement, 65 per cent of the proceeds of sale is reserved for the use of the United States government and for what is commonly known as "Cooley Loans."

The balance of 35 per cent of the proceeds of sale which amounts to approximately 16 million pesos is the subject of the agreement signed this morning.

The loan, which bears an interest of 3/4 of one per cent and will be paid in 30 years in semi–annual amortization, will be used for purposes to be mutually approved by the Philippine Government and the AID. (Philippines Information)

RICE RESEARCH GRANT FOR PHILIPPINES

NEW YORK, February 15 (AP) – The Rockefeller Foundation has announced it granted 390,000 dollars to the International Rice Research Institute at Los Banos, the Philippines.

The Foundation said the money is to go towards the Rice Institute's operating costs in 1965. The institute is a joint project of the Rockefeller and Ford Foundations, and the Republic of the Philippines.

Other grants totaling 223,400 dollars were made by the Foundation to the University of the Philippines.

FRENCH CONTRIBUTION TO INTERNATIONAL ORGANIZATIONS

PARIS, December 26, 1965 – According to a survey published by the "Liaison and Information Bulletin of the Central Finance Administration", the constantly increasing financial contribution which France makes to international organizations imposes a burden of approximately 800 million francs per year on the French government.

The leading sectors benefitting from French contributions are as follows:

- The United Nations and the institutions attached to it;
- Defence organizations (NATO, SEATO, WEU),
- Institutions of Greater Europe-Council of Europe, European Nuclear Research Council, European Council for Launching Spacecraft, European Space Research Center, Intergovernmental Committee for European Migration, Eurocontrol and the O.E.C.D.
- The European communities of the Six (EEC and Euratom) as well as various organizations whose budget is supplied by relatively small contributions (0.2 to 1.5%).

France's contributions to international organizations in recent years are as follows:

in 1960: 489 million francs
in 1961: 582 million francs
in 1962: 793 million francs
in 1963: 627 million francs
in 1964: approximately 800 million francs.

Sixty-two percent of all the contributions made by France in 1963 were paid to organizations of the European Community. During the same year, the amount paid to the United Nations was 18% less, and that paid to defence organizations was 6% less. (NBF)

ASIAN INTERNATIONAL TRADE FAIR

BANGKOK, January 28, 1965: About 40 government and 2,500 commercial companies are expected to take part in the Asian International Trade Fair at Bangkok in 1966.

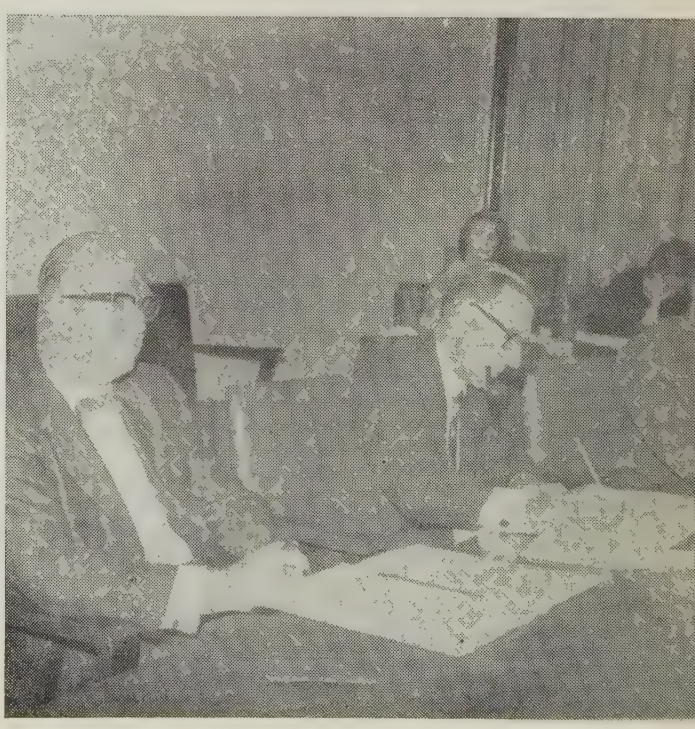
The Fair, to be organized by the Thai Government in co-operation with the Economic Commission of Asia and the Far East (ECAFE), will be held between November 17 and December 10, 1966 on a 400-acre (about 160 hectares) site at the Bangkok locality of Klong Tan.

United Nations' Adviser to the Fair Committee, Mr. R.H.C. Hammond, said that at least one million people are expected to visit the Fair. He was speaking at a recent meeting of United Nations and specialized agencies in Bangkok at which the possibility of a special UN Exhibit for the Fair was discussed.

Aim of the Fair is:

- To promote trade among Asian countries and between them and the rest of the world.
- To encourage additional investments in Asian countries.
- To stimulate economic growth and social welfare. (UNIS)

A SEATO Expert Study Group on Economic Relations met in Bangkok during February. Shown are (l to r): Australian delegates Mr. Bryan Maxwell, Commercial Counsellor in Bangkok and Mr. B.F. Meere of Department of Trade and Industry, Canberra; and French delegate, Dr. Andre Mousny.



FINANCIAL STABILITY OF THAILAND

by Mr. Sunthorn Hongladarom

The Thai Economy has been growing at a steady rate of 7 per cent per annum in the past few years.

At the end of June 1964 her international reserves stood at U.S. $569 million, equivalent to approximately eleven months' imports at the 1963 rate. Internal prices have been fairly stable while the exchange rate for the Baht has fluctuated with very narrow margins for some years. The selling rate for the U.S. dollar has stood at the rate of 20.84 Baht since May 1962. On October 20, 1963 an initial par value for the Baht was fixed with the International Monetary Fund at the rate of 20.80 Baht to U.S. $1.

AGRICULTURE'S SPECTACULAR INCREASE

There has been a spectacular increase in agricultural production, particularly since 1959. Output of paddy, the country's most important crop, has risen from slightly over 7 million metric tons in 1959 to 9.25 million metric tons in 1963 and that of rubber from 174,000 metric tons to 198,000 metric tons, while production of maize, and kenaf roughly doubled and trebled respectively.

Greater diversification in the agricultural sector has also been evident. Thus, the total value added from maize, tapioca, and kenaf now accounts for almost 9 per cent of the gross domestic product originated from agricultural crops compared with less than 1 per cent in 1951 and about $3\frac{1}{2}$ per cent in 1959.

INDUSTRIAL, MINERAL PRODUCTION RISE

Industrial and mineral production during the past few years has also shown a remarkable increase. Output of paper and gunny bags in 1963 was approximately four times as high as in 1959 while cement production doubled. Production of tin, which is almost wholly for export, also increased substantially.

FOREIGN TRADE IMPROVEMENT

During the period 1959-1963 the total value of foreign trade increased from 16.5 billion Baht to 22.2 billion Baht or more than one third. Exports rose from 7,560 million Baht to 9,731 million Baht and imports from 8,988 million Baht to 12,488 million Baht, i.e. at an average annual rate of 6.5 and 8.6 respectively. With the exception of 1961 the trade deficit has always been large.

These statistics do not, however, tell the whole story. In assessing the recent trade developments the following facts have also to be taken into account:

- Firstly, over a relatively short period Thailand has been able to achieve a striking diversification in her exports. Exports of maize, kenaf and tapioca products now aggregate almost 2 billion Baht a year, compared with some 500 million Baht in 1959.
- Secondly, imports of capital goods have been rising much faster than those of consumer goods. This is reflected in the significant increase in the ratio of the former to the total import value from 38 per cent in 1959 to almost 43 per cent in 1963.
- Thirdly, in spite of the large trade deficits Thailand's international reserves in recent years have registered an increase in every year as a result of inflow of capital in the form of aid and medium and long-term loans.

SIX-YEAR DEVELOPMENT PLAN

The Government's Six Year Development Plan (1961-1966) aims at a growth rate of 6 per cent per annum. It is expected that during the Second Phase of the Plan, namely from 1964-1966, Government development expenditure would be around 6,800 million Baht a year.

Slightly more than one third of this amount will be financed from the budget or revenue of the respective government enterprises, while about 30 per cent is expected to be raised from local borrowing, and the rest from foreign aid and loans. The Government has announced that its policy is to maintain monetary stability at the same time as stepping up the rate of development.

Figures of the past few years showed that there was a noticeable under-spending in various categories of development expenditures. For development to move ahead, the required physical capacities must be readily available in sufficient quantity and quality.

EDUCATION AND MANPOWER PLANNING

The Government is at the moment devoting greater attention to education and manpower planning —so that lack of skills of the right type will not hinder development programs.

Financial reforms in the late 1950's have provided the Government with a firm beachhead for moving ahead with its development programs with financial stability as its goal. Many measures have been and are being taken to strengthen this move. The enactment of the Commercial Banking Act in 1962 to standardise and encourage sound banking practice is doing good work in helping to increase and mobilise domestic savings for development purposes.

The revision of the Revenue Code, now in process, will help to reduce the bias towards customs tariff as source of Government revenue. In the meantime the plugging of loopholes in the said code has yielded substantial increase in taxes.

DEVELOPMENT FINANCING

At the moment the country is still accumulating international reserves in spite of its sizeable import surplus. Generally about 15.6 per cent of the total annual imports is financed by foreign aid and loans. As aid is likely to taper off, measures will have to be taken to promote production for exports to ensure that there is adequate foreign exchange to service foreign debt and to pay for imports in the future. The priority which the Government has given to irrigation, transport and power development is directed towards this goal. It is realised that in due time, domestic savings will have to replace to some extent the share of financing of development now borne by foreign capital.

FRENCH INCREASE TRADE PROMOTION

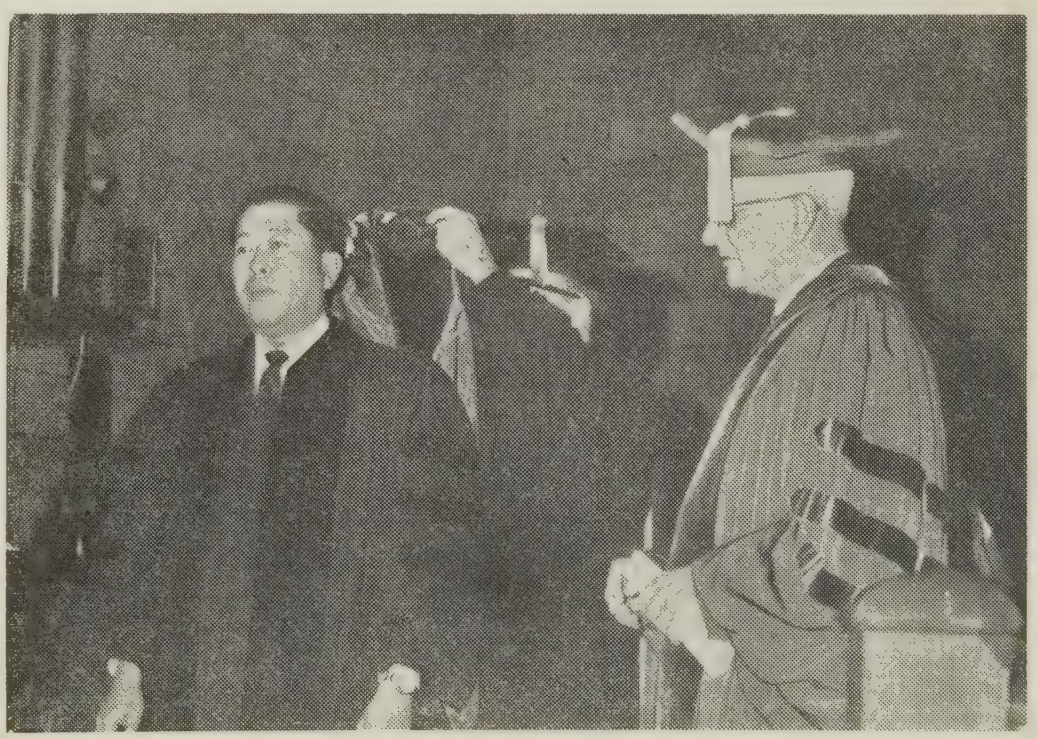
PARIS, January 9, 1965 – Mr. Bertrand Hommey, General Secretary of the National Foreign Trade Centre, recently announced an increase and a reorientation in the activity of the centre in order to realize the objectives of the 5th Plan, which calls for a 60% increase in French exports over the next five years.

Beginning in 1965, the centre in collaboration with the National Council of French Industry will undertake coordinated programs aimed at expanding French trade abroad through concentrated action both in France and abroad. All governmental or professional organizations interested in increasing exports in given fields will be grouped together.

The 1965 program for French economic events abroad, established by the Minister of Finance, will be marked by a preference for specialized events compared with general fairs.

As a result, France will officially participate in only four general fairs abroad–Tripoli (Libya), Johannesburg (South Africa), Tokyo (Japan) and Ghent (Belgium). However, in 1965 the National Foreign Trade Centre and the Committee for Fairs will support 40 specialized international shows, 13 of which will be held in Canada and 13 in the United States.

Moreover, 12 French commercial weeks, including 4 in Switzerland, 2 in Malaysia and 2 in the United States, will be held in 1965. (NBF)



Thai Foreign Minister, Mr. Thanat Khoman, receives an honorary Doctor of Laws degree from Fairleigh Dickinson University, Rutherford, New Jersey. Chairman of the Board of Trustees, Mr. Edward T. Williams, (right) read the citation while the University President, Mr. Peter Sammartino (centre) carries out the ceremony.

INTERNATIONAL JURISTS DECRY PEIPING ACTS IN TIBET

GENEVA, January 13 – The International Commission of Jurists has charged Communist China with "continued violations of human rights" since it invaded Tibet in 1950.

In its current monthly magazine, the Commission cited documented statements from 36 refugees as substantiating findings of the commission's legal inquiry committee in 1960 which condemned Chinese oppression, genocide, and other violations of human rights in Tibet.

The magazine article declared that the obligations of the United Nations Charter and the terms of the United Nations' own resolutions call for assistance to Tibet "without delay." The Jurists warned that this is necessary to forestall complete Chinese absorption of the Tibetans, who would thus cease to exist as a distinct ethnic entity.

The Commission said latest evidence came from farmers, nomads, traders and some monks and official personnel. These refugees, it added, represent a cross-section of a people "forcibly governed by an external authority supported by a large army of occupation."

ILL-TREATMENT CONTINUES

The latest evidence cited by the commission discloses continuance of ill-treatment of many monks, Lamas and other religious figures, "resulting in death through torture, beatings, starvation and forced labor."

The article said there has been more forcibly transfers of children to China against their parents' wishes, so that children were indoctrinated in communist beliefs and deprived of a religious upbringing.

Of brutal treatment of religious figures, the article said:

"Monks and nuns have been forced to marry and to commit other acts contrary to religious belief. In order to discredit religion some have been challenged to perform superhuman feats or display supernatural powers, such as surviving indefinitely without food.

RELIGION SUPPRESSED

"No worship of any kind is permitted and any sign of worship or prayer is met with severe punishment. Sacred objects and other articles or monuments of religious significance are either desecrated or destroyed by the Chinese or confiscated."

They referred to evidence of forced marriages between Chinese military and civilian personnel and Tibetan women, "a measure apparently designed to promote assimilation."

There are also claims of more sterilization operations on men and women like those reported in earlier commission documentation.

"The Tibetans fear that they are part of a Chinese plan to exterminate their race," the article said. (USIS)

WELFARE STATE AIM IN PAKISTAN

KARACHI, January 29 – President Mohammad Ayub Khan has said that a welfare state, whose establishment was the sole aim of his Government's development efforts, could not be built without working for the greatest good of the greatest number.

He was replying to an address of welcome Presented to him by the Federation of Chambers of Commerce and industry.

In this task of building a welfare state, the President said, all of them whether private enterprise or public service were co-workers and co-builders. Therefore, the motto before all of them should be to work hard and hard and build fast and fast, he added.

The President said that it would be his continued effort to see that the country's economy grew and grew as fast as it could consistent with the dictates of social justice and equity.

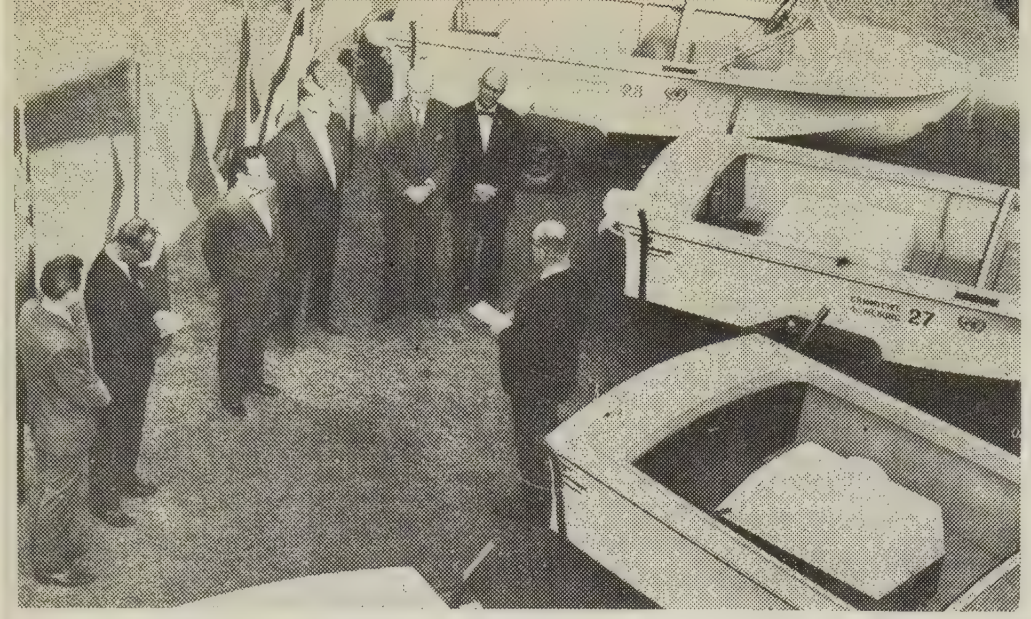
GAP BETWEEN RICH AND POOR

The ever-widening gap between the rich and the poor had to be bridged because without it there could be no social and political stability, the President pointed out.

Referring to problems of agriculture in Pakistan, the President said that the country was faced with the menace of water logging and salinity in West Pakistan at a large scale and flood control in East Pakistan.

He said that he had recently written to the Planning Commission and to the Provinces to give top-most priority to these problems.

Emphasising the need for development of agriculture, the President said the Government was now implementing the recommendations of the Agriculture Commission as a result of which rice production in East Pakistan and cotton production in West Pakistan had increased considerably. (Press Information Dept. Pakistan)



The New Zealand Government recently donated four jet-propelled boats for use on the Mekong River. Here, New Zealand Ambassador, Sir Stephen Weir, speaks to a group which includes ECAFE Executive Secretary U Nyun and Director-General of the National Energy Authority, Dr. Boonrod Binson.

ECONOMISTS SURVEY SOUTH-EAST ASIA DEVELOPMENT

HONOLULU, February 11, 1965 – More than 30 Asian and American economists wound up an economic planning conference on Sout-East Asia with a better understanding of other countries and problems through a week-long exchange of experiences.

The conference, held at the East-West Center, ended February 5 with a summing up of views expressed by specialists.

U Tun Thin of Burma and the International Monetary Fund said South-East Asian countries all want economic growth but are hampered by obstacles imposed variously by natural resources, world environment, history, and the influence of leaders.

Countries with more restraints, he said, show slower economic growth than those with less controls such as Malaysia, Thailand and the Philippines. In the planning process, South-East Asia is faced with a shortage of trained personnel, sometimes unenthusiastic attitudes of leaders and trained personnel in key positions, and an unfavorable political situation, he reported.

Despite many difficulties he said the specialists found South-East Asia, with the exception of Indonesia, "has been doing well with a five to six per cent growth rate."

ECONOMIC PLANNING VIEW

In presenting the investor viewpoint, Prof. Benjamin H. Higgins warned that economists should not put too much emphasis on social-cultural factors in economic planning.

"Rather, culture can change very rapidly with a big economic development push," he said, and mentioned Japan's change from an agricultural to an industrial economy as an example. Throughout the conference, the economic development success of Japan and the Republic of China was used as a point of comparison.

In general, the conference agreed that:

- Not enough is known about the planning process.
- The key to development may be in the ratio of emphasis on industrial and agricultural projects.
- Development needs initial funds.
- Concentration should be on what is workable instead of on theory.

Conference chairman Mr. Douglas S. Paauw of the National Planning Association, Washington, D.C., said that the most important aspect of the meeting was the "clear willingness to recognize the fact that we do not have all the answers."

More economists are turning to other fields such as sociology to gain a better understanding of their problems, he noted.

ASIAN "HIGH LEVEL OF COMPETENCE"

Mr. Paauw said "this reflects a growing maturity" which was good. Praising the high level of competence of the Asian participants, he said, "we learned more from them than they have learned from us."

"I think the frankness with which the Asian economists spoke has helped us to understand our formal planning techniques. Many of our techniques are not helping the Asians. Now we must work on more realistic techniques for solving problems.

"The real difficulty is not in planning but in carrying out plans. We need considerable more research on this." (USIS)

PAKISTAN'S ECONOMIC GROWTH SINCE 1958

This article is the second half of a Statement by the Pakistan Finance Minister Mohammad Shoaib, H. Pk, evaluating his country's economic achievements during the past five years.

The previous issue of SEATO Record gave details of:

- **State of Economy before October 1958.**
- **Reorientation of Fiscal and Monetary Policies.**
- **Developments in Agriculture.**

Progress of Industry

STRESS ON PRIVATE ENTERPRISE

The government also directed its attention to the need to increase industrial output the meet the growing domestic requirements and to creats an exportable surplus to pay for the rising imports called for by increasing development activities. To achieve this goal the Government decided to place its main reliance on private enterprise, for it is a basic policy of the Government that the implementation of the program of industrial development will depend primarily on the private sector. This shift in emphasis was made not so much to reduce the pressure on the public exchequer as in recognition of the fact that private enterprise has a key role to play in the economic development of the country.

IMPORTS LIBERALIZED

In order to speed up industrial growth increasing amounts of foreign exchange have been earmarked for the import of machinery, spares and raw materials, rather than for consumer imports, whilst the import policy has been libralized step by step to meet the growing needs of industry.

The Government have also adopted several measures to encourage investments in industry. New industries are allowed a tax holiday which ranges from two to six years in West Pakistan, and four to six years in East Pakistan, a conscious effort to bring about the spread of industry by incentive. Dividend income has been made tax free up to Rs. 2,000.

A National Investment Trust has been set up to channel the savings of the small man into industrial investment. The Government have also provided a large number of incentives to foreign investors in the form of tax and other concessions, besides giving guarantees against expropriation and allowing the remittance of profits.

INCREASED INDUSTRIAL PRODUCTION

As a result of these and other measures, there has been an impressive rise in industrial production since 1959. Taking 1959-60 as the base year, the index of industrial production rose to 133.6 in 1962-63, a new peak, as against 119.2 in 1961-62, rising to a height of 156.5 in the second quarter of 1963-64. It is interesting to note that whilst almost all industries have contributed to this steady increase in production, some of them have already exceeded the targets allotted to them in the Second Plan.

To compare the rate of industrial production before and after the present Government assumed office, one has but to glance at the previous index in this respect prepared by the Central Statistical Office, which shows that during the four years from 1955 to 1958, the index figure rose by only 35.8 points whilst in the 3-1/2 years ending in June* 1962 it has gone up by an estimated 66.5 points, figures which lead one to hope that it will, by the end of 1962, have doubled those of the previous four years.

INVESTMENT SCHEDULE 1960 OVER-COMMITTED

The achievement of stable conditions in the country, coupled with the availability of a substantial amount of foreign aid, loans and foreign investment have made it possible for the private sector to forge ahead with industrial development. The Government's policy of giving the maximum possible assistance to private enterprise had paid rich dividends. The Plan period began in July 1960 and by December 1962 the provisions made in the Industrial Investment Schedule of November 1960 had been over-committed to the extent of 43 per cent, for against the total provision of Rs. 284 crores an amount of Rs. 407 crores had been committed, whilst provision for as many as 69 items of the schedule had been exhausted.

The need for establishing, as quickly as possible, the industrial undertakings which have been sanctioned, is fully realized and a close watch is kept over the action taken in respect of the sanctions that have been or are being given.

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* This index was discontinued after June 1962 and replaced by a new one.

REVISED INVESTMENT SCHEDULE 1963

The rate at which the implementation of the Industrial Investment Schedule has been progressing has reinforced the confidence placed in private enterprise as a means of accelerating the pace of industrial development in the country and has necessitated a revision of the Schedule. In consequence, a revised Schedule was issued in February 1963, envisaging an investment of Rs. 153 crores, and in addition, making provision for several large industries, without specifying a monetary target. By June 1964, an amount of Rs. 109.4 crores or 71 per cent, had been utilised under this Schedule.

It is of interest to note that of a total provision of Rs. 153 crores, the amount allotted to East Pakistan is Rs. 95.4 crores or 62 per cent of the total.

HEAVY INDUSTRIES BOARD

Recently, the Government have been turning their attention more and more to the need for developing a base for heavy industries in Pakistan. Accordingly, with a view to mobilizing resources and efforts in this direction, the West Pakistan Government have set up a high level Heavy Industries Board, while a similar Board is being set up by the East Pakistan Government. Most developing countries have been making efforts to increase their capacity in conventional industries such as textiles, cement, sugar, leather and industries which require less capital and technical know-how, with the possible result that in the future these items may well cease to be potential items of export. We have, therefore, embarked on a programme of setting up more complex types of industry such as steel, petro-chemicals, heavy machinery, machine tools, cars and trucks, airconditioning and refrigerating equipment etc., and in both the Industrial Investment Schedule of 1960 and in the revised Schedule of 1963 sizable amounts have been allotted for such industries.

The result of all these efforts in the agricultural and industrial sectors found expression in the figures of national income which has risen perceptibly during the last few years. National income in constant prices increased from Rs. 2,147.1 crores in 1957-58 to Rs. 2,523.1 crores in 1962-63, that is, by nearly 18 per cent. During the nine years from 1949-50 to 1957-58 the per capita income, expressed in constant prices, rose only by Rs.3, from Rs. 240 to Rs. 243, but in the period under review, despite the continued increase in population, it went up from Rs. 243 in 1957-58 to Rs. 259 in 1962-63, an increase of Rs. 16.

STRONG MIDDLE CLASS

The aim of the Government has been to build up a strong middle class which they believes to be an essential part of the national economic and social structure, and with this as their policy they must view with some concern any signs of an excessive concentration of wealth. The policy of progressive liberalization of imports. which the Government have been following for the last four years has been helpful in the achievement of its aim by giving the small industrialists, who do not have the resources or bargaining strength of the big producer, freer access to necessary raw materials and other supplies. These efforts are being supplemented by other more specific steps to encourage the development of small industries. The Industrial Development Bank of Pakistan, while advancing credit, gives preference to new entrants from among medium and small entrepreneurs, particularly in the underdeveloped regions.

To meet the needs of the smaller men in industry and business, whose needs are below the normal lending limits, a People's Credit Department was set up in January 1964 in all the branches of the National Bank of Pakistan. Till June 1964, Rs. 14.32 crores had been advanced to 14,622 parties, mostly small traders and businessmen.

PREVENTING CONCENTRATION OF WEALTH

With a view to preventing too great a concentration of wealth in too few hands, it has been decided to broaden the base of industrial share-holding by giving public limited companies, which are required to offer up to 50 per cent of their stock to the ordinary investor, in which term is included the National Investment Trust, some tax advantage over private companies. The Investment Trust, set up in January 1963, which normally has a first option of up to 20 per cent of the shares of new companies, also provides a channel through which people of limited means can combine their resources to invest with safety and make their weight felt in large public companies. Started not long ago, it has begun in an auspicious manner. Its holdings now aggregate Rs. 5.15 crores and the price of the Unit has shown a marked appreciation in book value.

Liberal Commercial Policy

The main objectives of the Government's commercial policy have been to make goods more freely available in the domestic market, principally by liberalizing imports of raw materials and other requisites for industry; to streamline administrative procedures and by the elimination of controls to enable the import trade to function more freely and efficiently; and to promote the substantial expansion of export trade so necessary to reduce the country's payment deficits and prevent reversion to a system of restrictive imports. Since the first half of 1960, import policy has been gradually liberalized, additional items have been placed

on Open General Licence, automatic licensing has been extended and a number of restrictions on trade and commerce have been relaxed.

The policy of freeing the economy has brought great benefits to all, for, with decontrol and the liberalization of imports, the supply of goods which were previously scarce has considerably improved and free market prices in many cases have been much lower than those the consumer had previously to pay.

EXPORT BONUS SCHEME

But side by side with increasing output and liberalizing imports, the Government's efforts had to be directed at boosting and diversifying the country's export trade, something which was essential to meet the import bill, increasing as a result of the developmental policies and activities of the Government. With a view to boosting exports, the Export Bonus Scheme was introduced in 1959. The scheme has been on the whole successful, particularly in its earlier years. Exports of bonus-earning items increased by Rs. 35.28 crores in 1959, by Rs. 12.36 crores in 1960, by Rs. 5.12 crores in 1962 and by Rs. 3.51 crores in 1963.

To help encourage exports and exporters, the Government started in March 1962 an Export Credits Guarantee Scheme, to guarantee exporters against financial risks not normally covered by insurance companies. During 1963, 46 policies at a face value of Rs. 99.6 lakhs were issued against 40 policies for Rs. 78.8 lakhs in 1962. The scheme is still in its formative stages and so has not as yet contributed on a large scale to export promotion, but there can be no doubt that it has great possibilities and can make substantial contribution to our export trade.

FOREIGN TRADE

Our foreign trade, including the balance of payments, has shown marked improvements since 1957-58. Then our exports were Rs. 142.17 crores in value. By 1961-62 they had risen to Rs. 184.34 crores. In 1962-63* they recorded a sharp rise to Rs. 203.37 crores, an increase of 10 per cent over the previous year, and second only to the record figures of Rs 255.35 crores reached in the boom year of 1950-51. The following table gives the trend of exports.

*In this section, the figures recorded by the Central Statistical Office have been used and not those compiled by the State Bank of Pakistan. The C.S.O. figures show larger trade deficit. In view of the discrepancy in the two sets of figures, the data for 1962-63 are being revised while those for 1963-64 are not being shown.

The Second Plan

The Government increased their efforts to implement programmes for development. The Second Five-Year Plan was launched on July 1, 1960. In the beginning, the capital outlay during the Plan period was estimated at Rs. 1,900 crores, but later it was raised to Rs. 2,300 crores due to the increase which had taken place in prices and also to the inclusion of a few new projects. When compared to the First Plan, the Second Five-Year Plan's financial outlay was 73 per cent more, as is shown in the table below.

FIRST AND SECOND PLAN OUTLAYS

(In crore rupees)

Field of development	*First Plan (actual expenditure)*	*Revised Second Plan*	*Percentage increase*
Agriculture	144	342	138
Water and power	230	439	91
Industry, fuels and minerals	410	612	49
Transport and communications	228	405	78
Housing and settlements	258	341	32
Education and training	41	105.5	157
Health	14	42	200
Manpower and employment and social welfare	5	13.5	170
Total	1,330	2,300	73

STRESS ON INTERNAL RESOURCES

In the financing of the Second Plan emphasis was laid on the mobilization of internal resources and domestic resources were to be made available to an amount of Rs. 1,205 crores or more than 52 per cent of the total capital outlay of the Plan. The rest of the capital needed was to be obtained from external resources in the form of foreign aid, loans and private investment. The accent of Pakistan's development plans is of necessity on rapid and all-round development, process which will have to cover several five-year periods, each one requiring greater effort than the previous one. Economic development policy has inevitably a long-term orientation which has to be vigorously and continuously pursued, focussing attention on securing the increase in investment which is crucial to speedy development. This raises two major problems: the effective mobilization of domestic savings and the conservation and expansion of foreign exchange resources. The fiscal, monetary, commercial and industrial policies of the present Government have been shaped in the

light of these prime considerations, with the necessary adjustments being made from time to time in the light of the changing economic situation.

FINANCING OF THE SECOND PLAN

(In crore rupees)

Item	*Local currency*	*Foreign currency*	*Total*
Revenue surplus	122	–	122
Net capital receipts	140	–	140
Additional taxation	175	–	175
Deficit financing	–	–	–
Local Bodies	20	–	20
Project aid and loans	–	685	685
Foreign private investment	–	60	60
Commodity aid	–	350	350
Customs on commodity aid	70	–	70
P.L. 480 Counterpart Funds	60	–	60
Private savings (including Public Corporations' own resources)	618	–	618
Total	1,205	1,095	2,300

EXPORTS 1957-58 to 1962-63

(In crore rupees)

Year	*Value*
1957-58	142.17
1958-59	132.53
1959-60	184.27
1960-61	179.94
1961-62	184.34
1962-63	203.37

Although our exports have been rising, the imports are increasing at a much faster rate, due mainly to large developmental imports. The table below shows the position of imports.

IMPORTS 1957-58 to 1962-63

(In crore rupees)

Year	*Value*
1957-58	205.00
1958-59	157.84
1959-60	246.10
1960-61	318.76
1961-62	310-91
1962-63	381.88

The composition of the export and import trade of Pakistan has undergone a radical change with the altering pattern of the country's economy. Some of the traditionally important exports of raw materials have been partly–in some cases considerably–replaced by manufactured goods, whilst such new items as rice and fish are now contributing a good deal to our foreign exchange earnings. The increase in the exports of manufactured goods, particularly textiles, has brought considerable stability to the economy by reducing the dependence on the exports of raw materials, the prices of which, besides being subject to violent fluctuations, have been suffering adversely in recent years. On the import side, increased capital goods and raw materials have helped to expand the industrial sector. In 1963, imports of capital goods constituted 26.94 per cent of our import budget, industrial raw materials 33.46 per cent and consumer goods 39.60 per cent, a much healthier picture economically than that of 1958 when the percentages were 16.63, 26.12 and 57.25 respectively

FOREIGN EXCHANGE RESERVES

In September 1958, the foreign exchange reserves of our country had passed the danger point, for they totalled only Rs. 72.62 crores. The current account balance of payments with other countries had been in deficit during the two preceding financial years of 1956-57 and 1957-58 by Rs. 26.91 crores and Rs. 33.57 crores respectively. This, then, was the bleak situation which the new Government had to face and, for the sake of our people and country, to overcome. Immediate steps had, therefore, to be taken to right the situation. Imports and other foreign exchange liabilities had to be restricted and efforts made, as I have pointed out, to increase our foreign exchange earnings. The steps taken brought about the desired result. In 1958-59, the deficit was turned into a small surplus of Rs. 3.50 crores and the improvement continued, with occasional setbacks, until on March 31, 1964 the reserves stood at Rs. 140.8 crores, almost double the figure at the time the present Government took over.

Removal of Disparities in Development

The new Government were also conscious of the fact that the problem of economic disparity between the two Wings of our country had not previously received the attention it merited, and so, under the guidance of President Ayub, the removal of economic disparity has, for the first time in our history, been made a constitutional obligation. The National Assembly is now entitled to ask every fiscal year what steps are being taken to remove any existing disparity. Besides, the National Finance Commission is required to submit to the President, not later than six months before the expiry of the Plan period, a report on the progress made in this respect. Whilst this ticklish problem is now being

tackled seriously, it is worthwhile to remember that this type of problem is not peculiar to our country alone. A similar problem, for instance, exists between Northern and Southern Italy and in spite of that country's resources and efforts of many years directed towards a solution, the problem has yet to be solved. A problem of this kind does not admit of quick solution ; it is difficult, it takes time but we must go on doing all we can to find a solution to it.

GREATER ALLOCATIONS FOR EAST PAKISTAN

Budgetary allocations have been an important step through which the present Government have attempted to narrow down the prevailing disparities. During 1963-64, the gap in development assistance which had existed between East and West Pakistan was reduced, for that year's budget showed Central Government allocations of Rs. 146.23 crores to East Pakistan and Rs. 133-99 crores to West Pakistan for development expenditure under the Five-Year Plan. The 1964-65 budget marked another step forward, for it provided Rs. 153 crores of assistance to East Pakistan against Rs. 133 crores to West Pakistan. After taking into account the expected expenditure by the provinces from own resources the respective gross programmes for the fifth year of the Plan will be Rs. 254.6 crores in East and Rs. 240 crores in West Pakistan.

A number of other measures designed to help in this problem have already been taken by the Government. For instance, the revision of Raisman Award of financial arrangements between the Centre and the Provinces, as a result of which East Pakistan is getting much more now than it was getting previously–its total share from Central taxes has risen from Rs. 19.5 crores in 1961-62 to Rs. 47.4 crores in 1964-65

TAX EXEMPTIONS

Moreover, a lower rate of customs duty on capital goods has been introduced for East Pakistan so that they have to pay only $7\frac{1}{2}$ per cent as against $12\frac{1}{2}$ per cent for West Pakistan. In addition, while a tax holiday for 2, 4 and 6 years is allowed in West Pakistan, this period is 4 or 6 years in East Pakistan.

In addition, efforts are made to meet the particular requirements of East Pakistan more adequately. For instance, in the July-December 1964 import policy, coal has been placed on free import list for that wing only, besides cement which continues to be freely importable there.

The various sources of the funds for financing the Second Plan, internal and external, are detailed above.

These investments are to be shared by the public, semi-public and private sectors–Rs. 1,240 crores, Rs. 380 crores and Rs. 680 crores respectively.

OBJECTIVES OF THE PLAN

The major objectives of the Second Five-Year Plan are well defined and are to increase the gross national product by 24 per cent; to increase the per capita income by 12 per cent; to increase foodgrains output by 21 per cent; to increase industrial production by about 60 per cent; to increase exports by 15 per cent; to achieve substantial progress toward the creation of 30 lakh new job opportunities; to raise the domestic savings rate; to bring about a better distribution of income between various income groups as well as different regions; to accelerate the rate of economic growth of the relatively less developed areas in East and West Pakistan; to re-orientate and expand education, health and social welfare facilities; and to increase housing facilities particularly for the lower income groups. Against these targets, it is worthwhile to study the achievements of the past few years. Pakistan has made considerable advance in both agricultural and industrial production during the first four years of the Second Plan. The aim of increasing the national income by 24 per cent set out in the Plan is now well within reach. The present Government set a course of growth with stability and of gradually abolishing direct controls, both in the domestic and foreign sectors, and can point with satisfaction to the results already achieved, but they realize and appreciate that reliance has to be placed on foreign assistance, for the time being, in balancing the budget and that increased revenues as well as changes in the tax structure are necessary to bring the fiscal position more into line with development activity.

INVESTMENT ENCOURAGING

In the first year of the Second Plan the development programme was relatively small, mainly because much hard work had to be done before the Plan could be put into execution. Anyhow, the Plan expenditure during the first three years was encouraging. Expenditure in the public sector amounted to Rs. 708 crores and in the private sector to Rs. 488 crores, making a total of Rs. 1,196 crores during the first three years of the Plan. Investment during the fourth year is estimated at Rs. 594 crores, Rs 359 crores in the public sector and Rs. 235 crores in the private sector. During 1964-65, the last year of the Plan, the development expenditure is placed at Rs. 655 crores, Rs. 395 crores in the public sector and Rs. 260 crores in the private sector. Thus, in financial terms, the expenditure at Rs. 2,447 crores during the Second Five-Year Plan would be 6 per cent above the plan target of Rs. 2,300 crores.

The people of Pakistan have themselves made a great effort to finance the development of their country and the extent of their effort can be seen in the fact that their contribution to the Plan is likely to exceed 60 per cent of the total capital outlay. An increased

proportion of the gross domestic product is now being devoted to capital formation. In 1959-60, about 8.3 per cent of our gross domestic product was devoted to capital formation; by 1962-63 this ratio had risen to 9 per cent.

Like most developing countries we have been compelled to seek foreign economic assistance to finance the foreign exchange part of the development expenditure envisaged in the programme of our movement towards a self-sustaining economy. The First and Second Five-Year Plans relied heavily on foreign assistance. In the First Plan about 36 per cent of total resources and in the Second Plan some 48 per cent was estimated to come from foreign or international sources as given in the following table,

LESSER RELIANCE ON EXTERNAL RESOURCES

The progress of the Second Plan shows that the country has been able to rely much more on its own effort than was originally expected. The Plan contemplated that about 48 per cent of the finances would be forthcoming from foreign aid and loans and P.L. 480 counterpart funds and the remaining 52 per cent from the country's own resources. The current expectations are that the total utilisation of foreign assistance during the entire Second Plan period will not be more than Rs. 947 crores or about 41 per cent. On the other hand, Rs. 1,443 crores or 59 per cent are likely to be spent out of the country's own resources as against Rs. 1,205 crores originally estimated.

The foreign exchange required for the Second Plan is being provided, for the most part, through a group of countries organized under the auspices of the World Bank. The members of this Consortium have so far pledged $1,807 million (Rs. 860.1 crores) during the four years it has operated in extending financial aid to Pakistan. The Consortium did not operate during the first year of Pakistan's Second Five-Year Plan.

INCREASED DEBT SERVICE LIABILITY

With the increase of the size of foreign loans for development purposes our debt service liability has risen, a usual occurrence in the process of developing a country such as ours. The important factor is that the situation must always be under control. The total outstanding external debt on March 31, 1964, stood at about Rs. 391 crores. The debt service liability during 1963-64 amounted to Rs. 7.49 crores, and during 1964-65 a sum of Rs. 8.27 crores has been budgeted for this purpose. The bulk of the foreign section relates to the credits provided by the Agency for International Development (A.I.D.) of the U.S.A. and the World Bank, including its affiliate, the International Development Association (I.D.A.). Until 1961, the loans given by the United States Agency for International Development were repayable in rupees, but the new loans have now to be repaid in foreign exchange, though in easy instalments spread over a period of 30 to 50 years, inclusive of a 10-year grace period of freedom from repayment instalment. The loans are interest-free, though they carry a service charge of 3/4 per cent (three-quarters of 1 per cent). The loans given by the International Development Association are on similar terms. Loans secured from other sources generally carry interest varying from about 3 per cent to 6 per cent and are repayable over a period of 10 to 25 years, including the grace period. These facts are often not fully appreciated by people who, often mistakenly, are rather critical of foreign loans, say that the country is heading towards bankruptcy. There is no doubt that the liability of paying interest and capital instalments, as they fall due, has increased the burden on our resources, but any student who studies this problem would find that the burden is not unbearable. Before any loan is negotiated, the Government take fully into account the purpose of the loan and the capacity of the country to repay. On the latter point, the lending institution itself must have regard to the borrower's financial position and capacity, a process which involves a double safeguard. On the former point–the purpose of the loan–no loan is accepted which, when utilized, will not contribute to the process of economic expansion, either increasing our export potential or reducing our import requirements by the substitution of local manufactures.

This then is in broad outline the story of the economic effort in which the present Government have led the country and the people since 1958; it is a story of effort and achievement of which the country and the Government can be justly proud. There is no room for complacency–so much remains to be done and great is the task before us–but from the past six years we can see the possibility of great achievement, for in it, we can read our strength and our ability for the tasks that lie ahead.

PUMPS FOR CAMBODIA

CANBERRA, (AIS) – Australia has presented 120 irrigation pumps to the Cambodian Government. Worth £158,000, the pumps are part of Australia's Colombo Plan aid to Cambodia.

Australia has sent an expert to Cambodia to advise on the assembly and operation of the pumps which are to be used in a pilot scheme which could lead to an expansion in the number of irrigation projects in Cambodia.

Medical

FIGHT AGAINST CHOLERA

HOW CHOLERA IS CAUSED

(A summary of reports on research by Dr. Richard A. Finkelstein of the SEATO Medical Research Laboratory. Dr. Finkelstein joined the staff of the laboratory last year. He has been carrying out research on cholera since 1952).

BANGKOK, February 1965 – That cholera is caused by bacteria called cholera vibrios is known even among non-medical circles with reasonably lively interest in disease and medicine. *Vibrio cholerae*, as a matter of fact, was identified by the famous German scientist Robert Koch as far back as 1883, and has since been one of the most important subjects of investigation by doctors and bacteriologists bent on conquering the disease it brings about.

For if cholera is to be effectively controlled – if serious outbreaks are to become a thing of the past and if vaccines are to be made uniformly protective, then the "how" of it, the pathogenesis, the mechanism by which cholera vibrios cause the disease in man must first be fully understood.

ELUSIVE PUZZLE FOR YEARS

For many years the poisonous properties of cholera vibrios – the product or products actually responsible for the principal symptom of cholera, the acute and copious diarrhea, remained an elusive puzzle. Some experimental animals were needed in whom the symptom could be regularly induced so that, in turn, its causative factors could be isolated, and observations made as to how they operate. The infant rabbit was established as the looked-for model by experiments reported by Dr. N.K. Dutta of the Haffkine Institute, Bombay, and his colleagues in 1955. Research which has been and is still being conducted by Dr. Richard Finkelstein of the SEATO Medical Research Laboratory aims to further characterize the factor or factors necessary for causing experimental cholera in infant rabbits and to assess the effect of those factors on the behaviour and course of the disease which would ultimately contribute to the understanding of its pathogenesis, and hence its control in man.

"CHOLERAGEN" FACTOR

A factor excreted by the cholera vibrios and called "choleragen" by Dr. Finkelstein has been found to cause a fatal diarrheal disease indistinguishable from cholera in infant rabbits, but only when it has been given orally. It is not active when administered by any other channels in which the intestinal tract is not directly involved. It is harmless, for instance, when administered intravenously. Strong evidence that the choleragen plays a key role in human cholera was recently provided by the dramatic demonstration of Dr. Chanyo Benyajati of Chulalongkorn Hospital in which a human volunteer, given choleragen by means of a tube into the small intestine, suffered a diarrheal condition not unlike naturally acquired cholera. He responded well to simple fluid and electrolyte replacement therapy and had no ill effects afterwards. As for Dr. Finkelstein's choleragenic factor, it is inactivated by treatment with formalin, an observation which may potentially be applied in the development of a more effective cholera vaccine.

Two classic concepts regarding cholera do not seem to be supported by the experiments conducted in the SEATO laboratory. One is the important part traditionally believed to be played by endotoxin (a potentially lethal substance found also in other bacteria) in the pathogenesis of cholera; and the other concerns the damage to the intestinal lining believed to result from the cholera attack. Present findings show that inoculation of cholera endotoxin does not cause experimental cholera in the infant rabbit; and, in the rabbit with the choleraic condition, the intestinal lining remains intact.

DIRECT AND LOCAL ACTION

Such are some of the findings and observations which appear to be consistent with the assumption that the choleragen acts directly and locally, that is, in the intestines, and triggers some local reaction which is responsible for the choleraic diarrhea.

Further studies on the immunological aspects reveal that anti-choleragenic sera are capable of neutralizing the choleragenic activity when mixed with choleragen prior to feeding to the animals. However, the same sera had essentially no protective power against the choleragen when administered by themselves through non-intestinal channels. It appears then that the antibody must be present on the same side of the intestines as the choleragen in order to be capable of neutralizing its harmful activity. This conclusion has a significant bearing on the application of the findings to the development of immunity in man to cholera, and might suggest a need for an oral vaccine.

SEATO CHOLERA RESEARCH IN EAST PAKISTAN

BANGKOK, January, 1965 – In many countries the word "cholera" has little more meaning than a shot in the arm, an entry in the vaccination certificates of intending travellers. In East Pakistan, however, cholera cases are reported throughout the year, with seasonal peaks in the March-April and November-January periods. The character of the disease is all too familiar to the 54 million people who live in this delta land of the great Ganges and Brahmaputra Rivers. Nowhere else in the world is there such a significant area for the study of the patient, his environment, and the cholera organism as East Pakistan.

When the Pakistan-SEATO Cholera Research Laboratory was established at Dacca in 1960, a comprehensive investigation of the disease was launched. Apart from new lines of research, the laboratory undertook the task of testing afresh many existing theories and medical practices.

ENVIRONMENTAL AND CLINICAL RESEARCH

The work of the laboratory has two main aspects. One of these is the study of the environment of the disease, the habit patterns, way of living and method of sanitation of the people in areas where cholera is prevalent. This research may assist in developing preventive measures.

The other aspect is clinical research, in which scientists are trying to determine whether ther are physical differences which make certain people more susceptible to cholera than others, and to find out what physiological changes occur when they have the disease. This work is directed towards improved methods of treatment.

STUDY OF 200 HOUSEHOLDS

One of the major elements in the study of any disease is the knowledge of its social background and environment. Over a period of 12 months the laboratory has made a study of 200 households in Dacca, noting the links between family kinship and the spread of the disease, types of housing, sanitation and sources of drinking water. A second survey, begun late in 1963, covers individual families within households. The families are those of selected patients undergoing treatment in the clinical ward of the laboratory.

At the riverside village of Shaitnol, not far from Dacca, another study of the environmental aspects of cholera is being made. This takes the form of a complete social survey by two anthropologists, and includes the questions of housing, sanitation, water supply, kinship, customs, local methods of dealing with illness, and the pattern of transmission of cholera itself.

The information gathered at Shaitnol, a typical riverside community with a high incidence of cholera, will, it is hoped, have an important bearing on the whole study of cholera.

VACCINE TRIALS

Another aspect of epidemiological work organized by the laboratory is the testing of the effectiveness of vaccines. It is generally accepted in medical circles that present cholera vaccines give only short-term protection; it is possible that there are other immunity factors which would explain why, in any community, some people fall victim to the disease and others do not.

A controlled field trial of vaccines–the first of its kind–was started in 1963 and is expected to yield some evidence on the value of present immunization practices. Many thousands of villagers in a defined rural area near Dacca known for its high incidence of the disease have been inoculated by the laboratory's field team and a treatment station has been established. The trial area has a total population of about 26,000.

WATER TESTING AND SANITATION

The presence of cholera is usually related with water. The laboratory is trying to establish whether water is its only environment, and also to test the widely-held theories that contaminated drinking water and poor sanitation are the main factors in the spread of cholera.

Dr. Alexander Langmuir (left) Chief of the Epidemiology Section of the U.S. office of Public Health's Communicable Disease Centre, and Dr. Robert Oseasohn, Chief of Epidemiology at the Pakistan-SEATO Cholera Research Laboratory, examine a patient at a field hospital, 40 miles from Dacca.

Hundreds of water samples, mainly from the area of Dacca and the surrounding district within a radius of 15 miles, flow into the laboratory every month.

CLINICAL TREATMENT

The study of actual cases of cholera is basic to efforts to improve treatment of the disease. For this reason, the laboratory established its own clinical ward with beds for up to 20 patients in 1962.

Many hundreds of cholera victims have been treated in the ward, with an unbroken record of recovery. The normal period between admission and discharge, formerly six to seven days, has been more than halved.

With its reputation for successful treatment firmly established, the ward now receives most of its patients direct from their homes in the Dacca district.

Surveys, field trials, water collection and the direct study of cases all provide data required for the laboratory's clinical studies.

INTERNATIONAL CO-OPERATION

The Pakistan-SEATO Cholera Research Laboratory has brought together a team of scientists from four countries, whose work, apart from its primary purpose of pushing back the frontiers of knowledge in one vital sector, is a part of the general advance of medical science and research in South-East Asia and indeed in the world: for the scientific papers which result will add to the body of medical knowledge held by all. Not the least achievement of the laboratory is the increasing part played in its work by Pakistan's own skilled and highly-trained doctors and science graduates.

The location of the laboratory in the East Pakistan Institute of Public Health, and its close association with the country's health services provide the means for an interchange of ideas on many medical subjects. The wide experience that the laboratory's staff brings to bear on the study of cholera, the techniques that are being used, and the results of research, must have an effect on the advance of medical knowledge in other spheres, for work in every branch of science carries a meaning and benefit for others.

A new diesel–powered launch was dedicated recently for field operational work with the Pakistan-SEATO Cholera Research Laboratory at Dacca, East Pakistan. The launch was named after the late Dr. Joseph E. Smadel, former chairman of the National Institutes of Health Cholera Advisory Committee in the United States, who was responsible for the establishment of the laboratory.

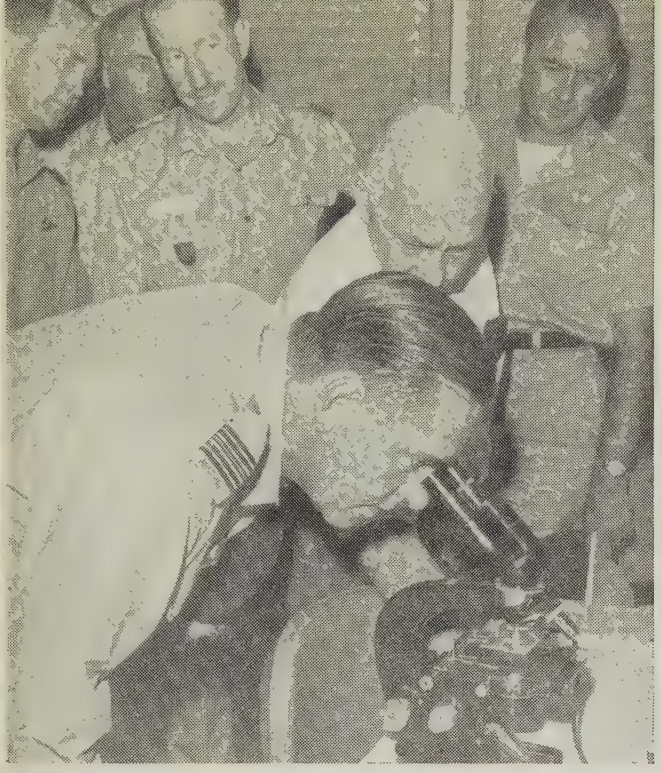
Cholera Conference in Hawaii

BANGKOK, January 29, 1965 – Col. James L. Hansen, Dr. Richard A. Finkelstein, and Dr. Chirapan Duangmani, of the SEATO Medical Research Laboratory, attended an international conference on cholera at the University of Hawaii on January 25 – 29, it was announced by General Pung Pinthuyothin, Director-General of the Laboratory.

Dr. Finkelstein reported to the conference the results of his studies on the nature of the mechanism by which cholera is caused, and the relationship it bears to the problems of immunity in the disease.

The SEATO Cholera Research Laboratory in Dacca, East Pakistan, was represented at the conference by Dr. Abram Benenson and six of his colleagues.

The Thai Government sent a team of 5 doctors under the leadership of Dr. Luang Binbakya Bidyabhed, one-time Under-Secretary of Public Health. With over a hundred doctors and scientists from 12 countries participating, the conference moved another big step forward in the continuing world-wide campaign against cholera, the number one killer among the world's quarantinable diseases.



A group of SEATO-sponsored visiting service officers toured the SEATO Medical Research Laboratory in Bangkok. Laboratory staff members under the supervision of the Director of U.S. Component, Colonel James L. Hansen, showed them research work being carried out. Here Squadron-Leader Frank Wittmer, of Melbourne, examines a laboratory specimen through a microscope. Explaining the item to him is Dr. David Weinman, Chief of the Laboratory's Special Projects Division. At the rear (from left to right) are: Colonel J.J. Padley, of Dayton. Ohio, USA; Wing Commander George Bosworth, of Canberra, Australia; and Major L.S. Black, of Reno, Nevada.

NEW MEDICAL FACILITIES FOR CHIENGMAI

BANGKOK, February 25, 1965 – The contract for the construction of the largest single hospital building in Thailand, a three story Chiengmai medical school unit, was signed at a ceremony in Government House on Friday, February 26.

The building, to be jointly financed by the Royal Thai Government and USOM, will cost $3,363,300, and will be a major part of the Faculty of Medicine in Chiengmai. Construction will commence within two weeks with completion expected in February, 1967.

The reinforced concrete building will house both a 200-bed general teaching hospital and a medical college to provide a four-year course for approximately 250 students. The hospital portion of the building is designed to expand into a 500-bed unit at a later date.

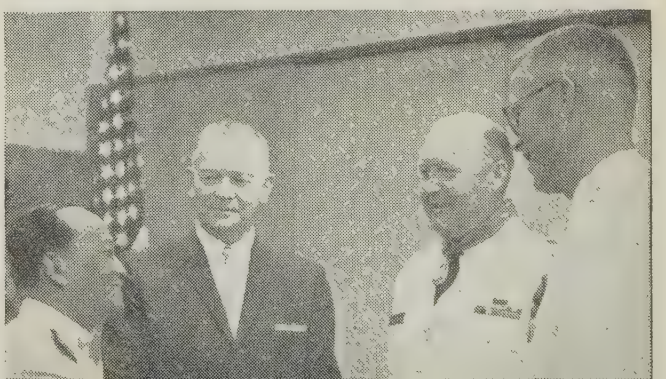
The general teaching hospital will provide Chiengmai and its regional area with modern diagnostic and therapeutic facilities for patient care. It will also furnish it with required space for teaching and clinical research by students and faculty. There will also be a preclinical department for medical education and basic research plus a modern library.

The new building will occupy the larger portion of the campus of the Faculty of Medicine. The site, which also contains dormitories, staff housing, and service buildings, is contiguous with the areas of the Chiengmai Provincial Hospital.

The Faculty of Medicine in Chiengmai was established in 1960. Thai-American cooperation was involved in its development almost from its beginning. A contract signed in 1962 with the University of Illinois College of Medicine provided for staff members of the American institution to serve on the Faculty of Medicine in Chiengmai. This agreement was aimed at establishing an American type medical school emphasizing preventive medicine in a provincial capital. It also was to give better health leadership in rural areas of Thailand. Thirteen persons from the University of Illinois are currently teaching in Chiengmai.

Training of Thai nurses and doctors in the United States and laboratory and research equipment are also provided for under the Illinois contract. Total cost thus far has been about $2 million. Another $2 million is still to be spent before the agreement ends in 1966.

Two officers of the SEATO Medical Research Project were awarded high decorations by the Royal Thai Government for their service and achievement. Major-General Pung Pintuyothin, Director General of the project made the presentation. From left: General Pung; Mr. M. Carl Walstrom, representing the United States Ambassador; Colonel James L. Hansen, Director of U.S. Component of the Project who was made Commander of the Order of the White Elephant (Third Class); and Major Ray A. Olsson, Professional Director of the SEATO Clinical Research Centre, named Companion of the Order of the White Elephant (Fourth Class).



"LOG TRAIN" – SEATO'S 28th MILITARY EXERCISE

BANGKOK, April 1 – A 14-day exercise involving 900 officers and specialists of eight-nation SEATO military forces ended in Thailand on March 30. It was Exercise LOG TRAIN, the 28th in a series of training operations conducted since 1956 by members of the South-East Asia Treaty Organization.

This exercise was the first of its type – a logistic exercise solely concerned with movement and supply of SEATO field forces.

Its objective was to test the effectiveness of SEATO logistical procedures in defending Thailand and the Treaty Area against aggression.

Participants and official observers came from the eight SEATO member nations – Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom, and the United States.

Thailand was ths host nation for the exercise which was based at Korat, abouth 150 miles north-east of Bangkok. Major-General Ernest F. Easterbrook, US Army, was Exercise Director and his deputy, Major-General Serm Na Nakorn, Royal Thai Army.

Commenting on the exercise, SEATO Secretary-General, Mr. Konthi Suphamongkhon, said that the exercise was the culmination of many months of detailed planning and conferences in which key service personnel of various branches of the armed forces of member nations were brought together.

PERIODIC TRY-OUT

He said SEATO required periodic, thorough military exercises to ensure that latest methods, equipment, and tactics were properly tried out and improved where possible.

"In this manner member countries will benefit and the defence of the Treaty Area will be strengthened," Mr. Konthi said, "Potential aggressors will know that we are on our toes and prepared to defend the Treaty Area to the utmost."

General Easterbrook said that "LOG TRAIN" provided an opportunity for SEATO planners to examine under field conditions the planning, procedures, and co-ordination involved in handling large volumes of troops and supplies. It also permitted an evaluation of the end results.

LOGISTICS A MAJOR FACTOR IN WAR

Address by the Prime Minister of Thailand, Field Marshal Thanom Kittikachorn, who is also Supreme Commander of the Royal Thai Armed Forces, at the opening ceremony of SEATO Exercise Log Train on March 17, at Camp Friendship, Korat.

"This exercise may well be considered as the first SEATO logistical high level training to be conducted in Thailand. It is designed to assess the efficiency and orderliness in transporting national forces by air and sea to designated areas of operations. In addition, it is to test coordination in handling problems associated with movement of forces and required logistical support. I am of the opinion that in any future war, no matter whatever form it may be, the logistical efficiency will eventually be one of the major factors in determining its outcome.

"The current world situation, particularly in South-East Asia, shows the indication of the menace, from movements against the Free World, presently threatening the independence and sovereignty of various countries in this region. The power of SEATO Forces will serve as a concrete assurance of peace and security of this area. Our present experiences remind and draw our attention to the importance of joint exercises which is one way to demonstrate unity of SEATO Forces.

DETECT DEFICIENCIES

"As the Supreme Commander of the Royal Thai Armed Forces, I am in complete agreement with the initiation of this exercise. This opportunity will allow us not only to detect any deficiency which may logistically hinder any operation of SEATO Forces and finding ways to resolve them, but also to practise our established concepts and procedures which are believed to bring success to our collective defence.

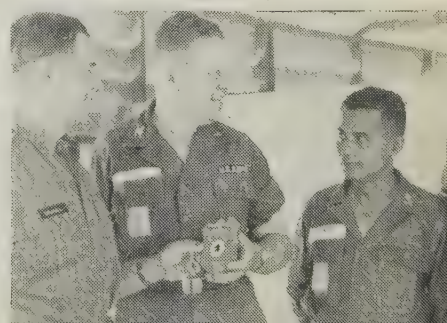
"As the Prime Minister of the Host Nation and on behalf of the Thai People, I am very happy to extend our warm welcome to all our SEATO friends participating in this exercise in Thailand. We welcome you as our close friends and as those who shall fight shoulder to shoulder with each other for the eventual survival of all free peoples.

"It is my sincere wish that SEATO Exercise LOG TRAIN run smoothly and attain all desired objectives."

Thailand's Prime Minister and Supreme Commander, Field Marshal Thanom Kittikachorn, and senior officers received a briefing at Exercise LOG TRAIN. From left to right: Front row-Mr. James Wilson, United States Embassy; Prime Minister Thanom; General Prapas Charusathira, Deputy Supreme Commander and Commander-in-Chief of the Royal Thai Army; Mr. Konthi Suphamongkhon, Secretary-General of SEATO. Second row-Air Chief Marshal Dawee Chullasapya, Chief of Staff of the Armed Forces, Supreme Command Headquarters; Admiral Damri Palakavongse Na Ayudhaya, Deputy Chief of Staff of the Armed Forces; General Chalaw Charukarus, Assistant Commander-in-Chief, Royal Thai Army. Third row-General Chitti Navisathira, Assistant Supreme Commander; Major-General J.S. (Hans) Andersen, Commander 1st Australian Division; Lieutenant General Ath Sasiprapa, Commander 3rd Army; Air Chief Marshal Thep Ketunut, Commander Royal Thai Air Force Task Force. Fourth row-Major-General R. Turner-Cain (Far East Land Forces Major-General in charge of Administration); Major-General H.A. Prince, Chief, Military Planning Office, SEATO. Rear row-Air Marshal Krasae Intaratana, Supreme Command Headquarters; Air Vice Marshal Kamron Lilasiri, Commandant Flying School, Korat.

New Zealand and Thai soldiers discuss an automatic weapon at SEATO "Exercise LOG TRAIN", Korat, north-eastern Thailand. From left: Corporal Trevor Bell of Hamilton; Corporal Veersuck Thairaurus, of the Royal Thai Army Military Police; and Private Ahithophel (Boy) Allen, of Wellington and formerly of Kaikohe, New Zealand.

Presentation of a small plaque of the insignia of the Australian Army's 1st Logistic Support Force was made during Exercise LOG TRAIAN. The presentation was made by 1st Logistic Support Force Commander, Colonel Keith Colwill (left) to Colonel Walter E. Tardy (Commander of Base Area Command), with onlookers, Colonel Tawai Pathamathes (Thai Deputy Commander BAC) Deputy Commandant of the Thai Army Logistic School at Bangkok, and Colonel Wynyard M. Amoore (United Kingdom Deputy Commander BAC) of the Headquarters, Brigade of Ghurkas, Malaya.



THAI-U.S. JOINT MILITARY RESEARCH CENTRE

WASHINGTON, February 29 – Dr. Robert L. Sproull represented the U.S. Department of Defense at ceremonies in Bangkok, today when the new Military Research and Development Centre (MRDC) was officially opered.

Prime Minister Thanom Kittikachorn presided over the dedication of the new offices and laboratory for joint Thai-American research projects on "conflict in remote areas."

A Department of Defense announcement said the centre "will provide laboratories and office facilities for the joint remote area conflict research and development program that has been in operation for several years."

The MRDC is a joint Thai-U.S. organization established to undertake research development tests and examination activities in support of the Royal Thai Armed Forces.

The Bangkok centre is commanded by a Thai military representative and is attached to the Supreme Command Headquarters of the Ministry of Defence. A.U.S. civilian serves as the centre's deputy commander. MRDC is staffed with personnel from Thailand, the U.S., and Great Britain.

Among the programs being carried out by the centre are long-range studies in military point-to-point communications problems in the South-East Asian environment.

ADDITIONAL AUSTRALIAN AID TO S. VIETNAM

CANBERRA, January 29 (Reuter) – Australia will increase its number of military advisers in South Vietnam, it was announced here tonight.

A Defence Ministry statement said another 17 Australian army instructors would be sent to Saigon, bringing the total serving with South Vietnamese forces to 100.

The Defence Department said Australia has also decided to give South Vietnam additional non-military aid in the form of galvanised iron for armed service housing, one million school textbooks, and construction experts.

An engineering team would be sent to South Vietnam to develop the town water supply at Bien Hao, the Department said.

The Australian Defence Minister, Senator Shane Paltridge, visited Saigon at the end of January.

NEW ZEALAND-FRENCH EXERCISE

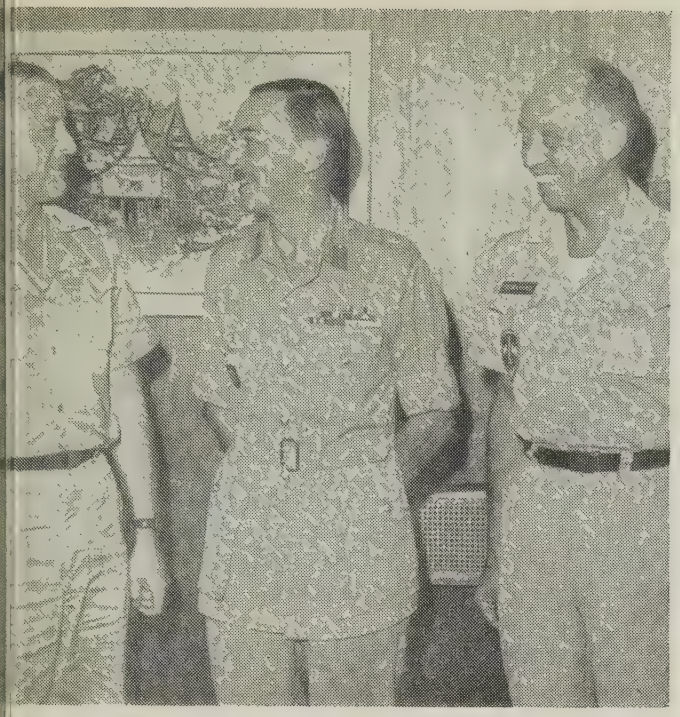
WELLINGTON, January 15 – South-East Asia Treaty Organization partners France and New Zealand are joining forces this afternoon in a series of sea-air exercises fifty miles out in the Taranaki bight.

The two French ships, Jeanne d'Arc and the Victor Schoelcher, and the Royal New Zealand Air Forces's Canberra Vampire, Sunderland and Dakota aircraft are taking part in the exercises, according to a Royal New Zealand Air Force Headquarters statement.

This will be the first time the R.N.Z.A.F. has carried out in air defence exercise in New Zealand waters with French forces.

From 2 p.m. marauding Canberras of No. 14 Squadron will try to attack the French ships, but their efforts will be countered by Vampire fighter aircraft of No. 75 Squadron, which will be providing protective cover for the ships. (N.Z.I.S.)

United Kingdom Far East Commander-in-Chief, Admiral Sir Varyl Begg, KCB, DSO, DSC, visited SEATO Headquarters during his farewell tour of Thailand as United Kingdom Military Adviser to the South-East Asia Treaty Organization (SEATO). At SEATO Headquarters he conferred with the Secretary-General, Mr. Konthi Suphamongkhon; the Chief of the Military Planning Office, Major-General H.A. Prince; and other senior officers. Pictured here are (left to right): General Prince; SEATO Deputy Secretary-General, Mr. David Wraight; Admiral Begg; Mr. Konthi; and the United Kingdom Military Adviser's Representative, Group Captain Paul Mallorie.



SEATO Military Planning Office Chief, Major-General H.A. Prince (centre) in discussion with two United States officers, Brigadiers J. Crowley (left) and F.M. Osmanski visiting SEATO Headquarters for a movements conference

SOUTH KOREAN TROOPS ARRIVE IN SAIGON

SAIGON, February 25 (Reuter) – About 600 South Korean troops, the vanguard of 2,000 to be stationed in South Vietnam in a "non-combatant" role, marched today from the ships which brought them here.

They were received by Vietnamese officials and cheering schoolgirls waving paper Vietnamese and Korean flags.

Strict security precautions were in force.

The Korean contingent is composed of engineering and transport units with some combat troops to provide protection.

Speaking at the welcome ceremony, the Vietnamese Prime Minister, Dr. Phan Huy Quat said: "No Asian Government, no Asian Nation can realise our situation more than the government and the people of Korea.

"Both of us have been in the same boat in the past."

DARWIN AIR EXERCISE

DARWIN, February 6 (AIS) – A combined exercise with the Royal Australian Air force and the Royal Air Force using Britain's latest V-bombers, Handley Page Victors, was held in the Darwin area recently.

The Acting Prime Minister, Mr. J. McEwen, announced details of the exercise on January 26. Mr. McEwen made the announcement as Acting Minister for Defence in the absence of Senator Shane Paltridge, who is on a tour of South-East Asia, Japan and the United States.

The RAF provided a small force of V-bombers, two Canberra photo-reconnaissance aircraft and supporting aircraft.

The RAAF used Sabre fighters already at Darwin and Canberra bombers from Amberley in Queensland.

An air defence exercise was held from February 1 to 5.

The exercise tested the ability of the RAAF to put up a fighter defence screen against raiding enemy bombers and to mount a bomber attack in retaliation.

EUROPEAN SPACE EFFORTS CONTINUE IN AUSTRALIA

CANBERRA, January 31, 1965 – Woomera Rocket Range would continue to be engaged in European Launcher Development Organization (ELDO) activities for some time, the Minister for Supply, Mr. Allan Fairhall, said on January 26.

There was nothing to indicate that the European countries taking part in the scheme were any less determined to build up their knowledge of space technology, he said.

Mr. Fairhall said that delegates from the seven ELDO countries had decided at a recent Paris meeting to continue with the first stage of the program but to confine spending for the present to the estimated original cost.

The first stage goes to the end of 1966 when the first test satellite is due to go into a polar orbit. The third test launching of the prime missile, the British Blue Streak rocket, was scheduled for March.

Another meeting of member countries in April would make it possible for work at Woomera to go ahead without any break in continuity, Mr. Fairhall said. (ANIB)

MARITIME EXERCISE BUS STOP

SINGAPORE, February 2 (AP) – British Commonwealth and American warships have just concluded a combined exercise in South China Sea, designed to test coordination in naval and anti-submarine operations, a British Navy spokesman reported Monday.

The spokesman said the exercise, code-named "Bus Stop," involved the British aircraft carrier Victorious and guided missile destroyer Kent, the New Zealand frigate Otago, the U.S. Seventh Fleet carrier Yorktown and four American destroyers.

BRITAIN, AUSTRALIA TO BUY MILITARY EQUIPMENT FROM U.S.

WASHINGTON, February 10, 1965 – U.S. Defence Secretary Robert S. McNamara signed agreements with the United Kingdom and Australia on February 9 for the sale of some 1,000 million dollars worth of American military equipment to the two nations.

The agreement with the United Kingdom provides for the sale of "Phantom" F-4 fighters and C-130E transport aircraft, with payment terms spread over a "period of years." No figures were given for the amount Britain will pay for the aircraft.

Australia, under the terms of a separate agreement, will buy approximately 350 million dollars worth of defence material and services from the United States over the next three years. This will include various types of military aircraft and helicopters and a wide variety of Army equipment such as armoured personnel carriers and artillery.

EQUAL PRODUCTION PRIORITY

During the meeting of Mr. McNamara and Australian Defence Minister Shane Paltridge, previous contracts between the two countries for 130 million dollars worth of naval ships and 125 million dollars worth of F-111A aircraft were reviewed. Australia is purchasing three destroyers and 24 F-111A's under the previous agreement.

Under the agreement with Britain, the Royal Air Force (RAF) is to receive equal priority with the U.S. forces in production, development and supply arrangements for the fighter planes and transport aircraft.

The Phantom fighter plane, which is capable of speeds over 1,600 miles an hour, is used for a wide range of air military missions. It is expected that deliveries of these planes to the RAF will start in two or three years, the Defense Department said.

The Royal Air Force will begin flying the transport planes at the end of 1966. These planes have a range of more than 4,000 miles, carrying 10-ton loads. They can be adapted for tactical transport and carry more than 35,000 pounds over a 1,000-mile radius of action.

The version of the C-130 aircraft to be supplied to the RAF is just beginning to be used by U.S. forces. An earlier version is being used by the Canadian, Australian and New Zealand Air Forces.

The Defense Department also announced that Britain and the United States have agreed to expand the existing program of cooperation in defence research and development. One of the projects being considered is the joint development of an advanced lift engine for vertical and shot-takeoff aircraft.

The United Kingdom has conducted considerable research into vertical lift aircraft, while the United States has done advanced work research into lightweight engines.

Other fields of research would include anti-submarine warfare, tactical air defence missiles, Army ordnance and field Army communications. (USIS)

Senior delegates to a SEATO Headquarters conference discuss problems of military movements. From left to right: Commander G. Bonnet (France), Wing Commander W.R. Duncan (partly obscured) and Major R. Stanley Harris (New Zealand), Lt. Col. Nazar Hussain Shah and Cdr. T.B. Rehman (Pakistan), Brigadier F.M. Osmanski (chairman), and Brigadier J. Crowley (United States).

United Kingdom Commander-in-Chief Far East, Admiral Sir Varyl Begg, visited "Operation Crown" at Loeng Nok Tha, near Mukdaharn, north-east Thailand. "Operation Crown", a SEATO-sponsored airfield construction project has been built by a squadron of Royal Engineers of the British Army assisted by Royal New Zealand Army Engineers. Here the project commander, Lieutenant-Colonel Ken Orrell (second from left) explains a tarmac laying machine operation to Admiral Begg. Pictured are (l to r): Thai project liaison officer, Captain Samarn Tongtrakul; Lt. Col. Orrell; Admiral Begg: Corporal Gordon Shawcroft of Palmerston North, New Zealand; Major-General Samran Keerote, Deputy Chief of Staff, Supreme Command Headquarters, Bangkok; and SEATO United Kingdom Military Adviser's Representative, Group Captain P.R. Mallorie. The Hastings aircraft in which Admiral Begg travelled was the first four-engined aeroplane to land at Loeng Nok Tha.

EXERCISE REFLEX ONE

MANILA, January 13, 1965 – U.S. readiness to respond quickly to aggression has been demonstrated in the U.S. Marine Corps exercise "Reflex One," a four-day operation simulated under battle conditions and carried out at Mactan Air Base in the Philippines.

The exercise was carried out with the cooperation of the Philippine Government, which sent military observers.

Heading the group, Brigadier General Rigoberto Atienza, commander of the Philippine Army, praised the U.S. Air Force for the job it did in airlifting a 1.000-Marine battalion from Okinawa to Mactan in a short time.

General Atienza said the exercise. "again-demonstrated friendship between our two countries, where the U.S. Marines do their training here. And I am sure this is good both for our two countries and for the Free World, especially South-East Asia. This type of exercise might be handy any time anywhere."

The giant exercise was designed to test the response capabilities of U.S. military forces in the Far East. The Marine battalion, fully equipped and ready for combat, was airlifted by the 315th U.S. Air Force Division based in Japan, Okinawa, and the Philippines.

During the exercise, the U.S. Air Force C-130 all-purpose cargo planes, demonstrating precise timing, taxied down the long cemented runways of the Philippine air base, located 1.6 kilometers off the east coast of Cebu Province.

Unloading of the troops and their artillery, self-propelled anti-tank weapons, motor vehicles and sufficient supplies to sustain them for the duration of the exercise, was quickly completed. (USIS)

AUSTRALIAN NAVY TO DOUBLE STRENGTH

HOBART, February 5 (Reuter) – The Royal Australian Navy will virtually be doubled in strength and its mobility increased tremendously in the next five years, Rear Admiral T.K. Morrison, Officer Commanding the Australian Fleet, said today.

The Navy was going through a period of dynamic expansion, he told reporters on the flagship H.M.A.S. Melbourne, now on the Navy's annual cruise in southern waters

He said with three guided missile destroyers at present under construction in the United States four submarines in Britain, and two frigates in Australia, as well as an oiler from England, an escort maintenance ship and a fleet replenishment ship timed to be laid down in two years, the Navy could move anywhere and stay for as long as it liked.

MISSILE DESTROYER

CANBERRA, (AIS)–The Royal Australian Navy will fly 184 naval officers and men to the United States to collect its first guided missile destroyer HMAS PERTH.

The Minister for the Navy, Mr. F.C. Chaney, said recently that the men would undergo special training before manning the destroyer during its sea trials in May. The ship would spend six months working up before coming to Australia.

HMAS PERTH is one of three guided missile destroyers being built in the United States for the R.A.N.

SEATO MILITARY DEFENCE EXERCISE SCHEDULE FOR 1965

BANGKOK, February 1, 1965 – SEATO military defence exercises scheduled for the current training year were announced today by the Chief, Military Planning Office, Major-General H.A. Prince, CBE.

A command-post/logistics exercise in Thailand and a maritime exercise in the South China Sea are planned to be held during the first half of 1965.

SEATO military exercise fundamental in normal peacetime training for collective defence are planned well in advance. SEATO Military Advisers at their October meeting accepted a five-year program of training exercises for the period 1965-1970.

During the past training year, two military exercises were held. All eight member nations took part in both exercises. A tactical air exercise, AIR BOON CHOO, was conducted in Thailand from April 20–30, 1964. In May and June, Exercise LIGTAS – an amphibious-airborne exercise – was held in the Philippines.

AUSTRALIAN DEFENCE EXPENDITURE

Australia's defence expenditure would double under the Government's three-year defence program the Acting Prime Minister and Minister for Trade and Industry, Mr. J. McEwen, said in Canberra on January 17. Mr. McEwen was addressing the annual meeting of the Federal Council of the Australian Country Party, of which he is the parliamentary leader.

He said the increase in expenditure was due to the revised program, which greatly expanded Australian defence facilities because of the worsening situation in South-East Asia.

Mr. McEwen said Australian national security had to be allied with industrial growth and this was the base on which the country would grow with rapidity and security.

The strategic position of Australia and other South-East Asian countries was dramatically different from that which existed 12 months ago. Mr. McEwen cited the deterioration of the hostile situation in favour of the Communists in Vietnam, where he said the only true fighting line between Communists and non-Communist forces existed in the world....

Mr. McEwen added that Australia's defence needs were constantly under review and the present new preparations would enable Australia to deal with any future situation.

Commander of the United States Seventh Fleet, Vice Admiral Paul P. Blackburn, paid a courtesy call to SEATO Headquarters on March 23. He met the Secretary-General, Mr. Konthi Suphamongkhon and the Chief, Military Planning Office, Major-General H.A. Prince. Seated are (left to right): Mr. David Wraight, Deputy Secretary-General; Mr. Konthi Suphamongkhon; Admiral Blackburn; General Prnice; and Mr. James Wilson, of the United States Embassy, Bangkok.

New Appointments

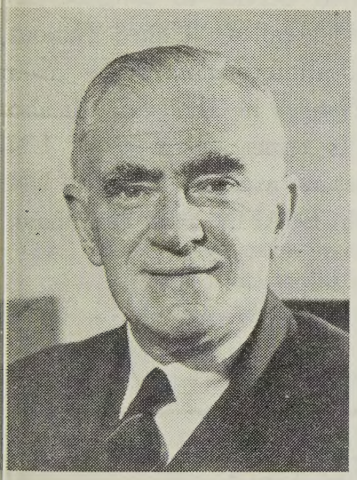
MR. MICHAEL STEWART

Extracts from a profile on the Secretary of State for Foreign Affairs, Mr. Michael Stewart, by the British Information Service.

LONDON, February 5 – Mr. Michael Stewart, the new British Foreign Secretary, has long been recognised in Parliament as one of its finest intellects, and yet has been little known.

No British politician has shown less interest in the political limelight. Although little known to the public he was one of four or five men in the Labour Party who were seriously considered as leader of the party after the death of Hugh Gaitskell.

Mr. Stewart is of Scots descent but he was brought up in London and sits for a London constituency. His father was a scientist, and Stewart won a scholarship to one of Britain's most famous schools, known as Christ's Hospital.



Mr. Michael Stewart

From school he won another scholarship, this time to Oxford. He became President of the Oxford Union, a debating club which is a traditional nursery of British politicians.

For twelve years Mr. Stewart was a teacher and lecturer, but he entered politics as soon as he left University. The period between the wars was one of intense political interest and vigour among young men, such as Stewart and Hugh Gaitskell and many others.

Mr. Stewart was chosen as a Labour candidate for Parliament when he was 25. He was elected to East Fulham division in 1945. During the war, in which he became a captain, he served in the Intelligence Corps.

In the first Labour Government after the war he was a junior Minister at the War Office. He was greatly interested in the Western European Union during its formative years and took part in many meetings at Strasbourg. He also attended one of the annual Anglo-German meetings at Koenigswinter.

Mr. Stewart has been most directly concerned in recent years with home affairs, notably with housing and education.

Inside the Labour Party Mr. Stewart was a close associate and supporter of Hugh Gaitskell during the deep divisions over unilateral nuclear disarmament.

Seato Chronology

February 15:	His Excellency Sir Anthony Rumbold, newly arrived United Kingdom Ambassador, made official call no Secretary-General.
	Sir John Crawford, Director of the Research School of Pacific Studies, Australian National University, Canberra, called on Secretary-General.
February 19:	Earl Mountbatten, United Kingdom Chief of the Defence Staff, visited SEATO Headquarters. Council of Europe Principal Administrator in the Directorate of Human Rights, Mr. Karel Vasak, visited SEATO Headquarters, and called on Secretary-General.
February 22:	SEATO experts meet to study economic co-operation.
February 22 – 26:	Military Planning Office Movements conference.
March 1:	Mr. Joseph Mendenhall, Director of the Office of Regional Affairs, Bureau of Far Eastern Affairs, Department of State, visited SEATO Headquarters.
March 2:	Sir Paul Gore-Booth, Under-Secretary for Foreign Affairs, United Kingdom, called on Secretary-General.
March 8 – 13:	Orientation period for representatives of SEATO member nations.
March 11:	Admiral Sir Varyl Begg, United Kingdom Military Adviser, called on Secretary-General, on farewell tour as U.K. Military Adviser to SEATO.
March 15:	Major - General J. S. Andersen, Commander of 1st Australian Division visited SEATO Headquarters.
March 17:	Exercise LOG TRAIN, directed by Major-General Ernest Easterbrook, begins with opening ceremony conducted by Thai Prime Minister, Field Marshal Thanom Kittikachorn, at Korat.
March 18–23:	SEATO Graduate School Seminar on Engineering Education.
March 23:	United States Seventh Fleet Commander, Vice Admiral Paul P. Blackburn called on Secretary-General.
March 25:	H.R.H. Prince Wan Waithayakorn presented masters degree certificates at SEATO Graduate School of Engineering.
March 30:	Exercise LOG TRAIN ends at Camp Friendship, Korat.

Books of Interest

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HERBERT FEIS. *Foreign Aid and Foreign Policy.* Pp. vii, 246. New York: St Martin's Press, 1964. $5.00.

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FREDERICK C. BARGHOORN. *Soviet Foreign Propaganda.* Pp. viii, 329. Princeton, N.J.: Princeton University Press, 1964. $6.00.

CLEWS, JOHN C. *Communist Propaganda Techniques.* Pp. 326. New York: Frederick A. Praeger, 1964. $8.50.

GROUSSET, RENE. *A History of Asia.* Translated from the French by Douglas Scott. Pp. 142. New York: Walker, 1964. $3.50.

KAHIN, GEORGE MCTURNAN (Ed.). *Governments and Politics of South-East Asia.* Pp. xv, 796. Second Edition, Ithaca, N.Y.: Cornell University Press, 1964. $11.50.

KENNAN, GEORGE F. *On Dealing with the Communist World.* Pp. xi, 57. New York: Harper & Row, for the Council on Foreign Relations, 1964. $3.00.

MICHAEL, FRANZ H., and GEORGE E. TAYLOR. *The Far East in the Modern World.* Pp. xii, 850. Second (Revised Edition. New York: Holt, Rinehart & Winston, 1964. $9.50.

HUBERTUS zu Lowenstein, *Prince.* NATO and the defence of the West, by Prince Hubertus zu Lowenstein and Volkmar von Zuhlsdorff. Translated by Edward Fitzgerald. New York, Praeger, 1962. viii, 383p. 341.184.

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U.N. ACTIVITIES IN THAILAND: The United Nations Information Service in Bangkok has published a 36-page booklet called "United Nations and Thailand". It provides information on the main activities of the United Nations in Thailand. It also contains a glossary of UN terms and a list of UN offices in Bangkok. Copies are available from the UN Information Service with ECAFE, Sala Santitham, Bangkok.

SEATO FILM

The film "SEATO: Shield of Progress" is now available for loan to universities, schools, libraries and other institutions in its 16 mm version with English or Thai sound tracks. "SEATO; Shield of Progress" is a 20-minute, black-and-white documentary, surveying the work and achievements of the Organization in the military, economic, social and cultural fields.

The film may be borrowed from national information services of member countries or from:

The Director,
Public Information Office,
SEATO Headquarters,
P.O. Box 517,
Bangkok, Thailand.

Seato Publications

(The following publications may be obtained, on request, from the Public Information Office, SEATO Headquarters, P.O. Box 517, Bangkok, Thailand.)

Report on SEATO 1963-64 (English, Thai) – Annual report by SEATO Secretary-General.

SEATO: 1954-1964 (English, Thai) – A pictorial and written review of 10 years of SEATO progress.

Story of SEATO (English, Thai)

Information pamphlet on SEATO with notes on member countries.

The Manila Pact and the Pacific Charter

Texts of the South-East Asia Collective Defence Treaty and the Pacific Charter, with explanatory notes.

Gandhara Sculpture in Pakistan (English, Thai)

The origin and development of Gandhara art.

Aspects of the History, Culture and Religions of Pakistan

Lectures by Dr. Ishtiaq Hussain Qureshi, Vice-Chancellor of the University of Karachi, as a travelling lecturer under the SEATO Cultural Relations Program.

THE SIAM DIRECTORY: Greatly expanded and completely revised, the latest edition of the annual Siam Directory is both practical and fascinating. Along with the usual wealth of bare facts and figures and up-to-date statistics, the book contains a generous offering of expository pieces on a wide range of subjects pertaining to Thailand, its people, and its relations with the world at large. One finds not only the list of the present Cabinet Ministers but those of former years dating back to 1932; not only the names of government agencies and international organizations (in both Thai and English) but the names (only in English) of their chiefs and principal officials; not only the number of metric tons of exported rice and cubic metres of produced timbers, but interesting descriptions of their various kinds and qualities. Included among the features designed to serve both Thais and foreigners are, to mention at random: a classified business and industries section, a list of hotels in the provinces, immigration rules and regulations, Thai festivals and ceremonies.

All this information is arranged in easy-to-find, well-indexed sections and comes between handsome gold-lettered covers. Compiled by an editorial board headed by Mr. Chamni Pimpisarn, a well-known journalist. The Siam Directory, 96, Mansion 2, Rajadamnoen Ave. Bangkok. Price: Baht 250; US $13.00; Sterling £5.0.0.

SEATO Activities Under the Cultural Relations Program

SEATO activities from 1957-1964 in the field of education.

Collective Security: Shield of Freedom (Revised, 1963)

The nature and scope of the various collective security pacts linking 41 nations of the Free World. Foreword by Mr. Pote Sarasin, Secretary-General of SEATO. 165 pp.

Medical

Research into Disease – I : Cholera (Pakistan – SEATO Cholera Research Laboratory)

Posters:

The Painter's View of his Country – I
Toward a Better Life **(English, Thai)**
Collective Security – Pathway to Peace

Communist Subversion: Three Views

By Lt. Gen. Sheikh, Minister of the Interior, Pakistan; Pote Sarasin, Secretary-General of SEATO; and Fructuoso B. Cabahug, Under-Secretary of Foreign Affairs, Republic of the Philippines.

Communist Economic Subversion: A Reappraisal

By Dr. Hans Heymann Jr., a discussion of the growing Communist reliance on economic measures as tools of foreign policy.

Peking On Revolution

Extracts from speeches and articles on the 90th anniversary of the birth of Lenin indicating the demand for revolutionary uprising.

Peking on War

Mao Tse-tung's views on war explained.

Target: Labour Unions (English, Thai)

An account of Communist techniques of infiltration and control of the labour movement.

Life in Mainland China

"Story of an Intellectual"
"Story of a Country Doctor"
"Story of a Factory Worker"
"Stories of a Farm Worker and Coolie"
"A Student's Story"

Freedom or Communism?

Text of a lecture given by Dr. Luang Suriyabongs at the first SEATO Seminar on Countering Communist Subversion, Baguio, Philippines.

Communist Tactics in Asia

The real Communist aims in Asia and the tactics being employed to attain them.

Politics in Command

Chinese intellectuals and the Communist Party.

The New Zealand flag is raised at Exercise LOG TRAIN. Securing the flag at right is Group Captain Douglas F. St. George of Auckland (New Zealand Military Adviser's Representative at South-East Asia Treaty Organization Headquarters, Bangkok). At left is United States Army Specialist 4, Richard Hollenbeck of Fenton, Michigan.

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